

Rowlett Housing Finance Corporation

Board of Directors' Meeting Minutes: October 20, 2021, 8:30 a.m. Video Conference

Board Members:

Present by Zoom Conference: President Karl Crawley; Vice-President Dan Pence; Barbara Holst, immediate past President; Debby Bobbitt; Riki Harper; and Rick Sheffield, Executive Director

Absent: None

Quorum present? Yes

Others Present via conf: Ryan Bowen, Chapman Cutler; Mark Malveaux, McCall, Parkhurst & Horton LLP; Claire Merritt, Hilltop Securities; John Shackelford, Shackelford and Associates; Ryan Combs, JPI

1. Call to order.

The meeting was called to order at 8:30 a.m. by President Karl Crawley.

2. Consider action to approve the minutes from the September 15, 2021, Board of Directors' meeting.

Dan Pence made a motion, seconded by Barbara Holst, to approve the minutes. The motion passed by a unanimous vote of those members present.

3. Consider action to approve a Memorandum of Understanding (MOU) for the Vista Northshore development.

Ryan Bowen presented the MOU to the Board, noting that it was identical to the previous agreement with RISE Residential on the Lakeview Pointe Senior development with the exception of the land sale. This deal is set up as a non-recourse loan payable through the ground lease. Administratively, there is no difference in how the loan is handled, and there is no additional liability incurred by the HFC. John Shackelford confirmed the loan setup.

Barbara Holst made a motion, seconded by Dan Pence, to approve the MOU as shown. The motion passed by a unanimous vote of those members present.

4. Consider action to approve an Inducement Resolution for the Torrington Lake Ray Hubbard development proposed by JPI.

Ryan Combs presented the development to the Board. It is proposed to be a 220 unit, 4% tax credit project for which JPI is requesting the inducement for \$35M in bond

allocation. Torrington is JPI's brand for this product; Jefferson is the brand for their Class A multifamily development. Alpha Barnes will be the third party property manager but is part of their team and work cohesively together. JPI is also contracting with Apartment Life, a faith-based agency, to provide nonprofit services to the residents of the community. The development would be located at the SW corner of Dalrock Rd. and Chiesa Rd.

The Board pointed out that there will be a hard road ahead for the zoning process as the property is currently zoned C-1 and Chiesa Rd. is currently a two lane road. Traffic would be a concern, although the site plan calls for all ingress/egress to come from Dalrock Rd. Concerns were also expressed that a third party company will be handling the property management. Staff pointed out that this is a non-binding resolution on the HFC and is not an indication that a partnership agreement being approved.

Barbara Holst made a motion, seconded by Dan Pence, to approve the Inducement Resolution request as shown. The motion passed by a vote of four in favor and one abstention (Harper).

5. Hear presentation on September 2021 operating financials and 3Q21 budget vs. actual update.

Staff presented the operating financials for September, noting that all of the LLC funds shown have now been transferred from BB&T Bank to the newly created JP Morgan Money Market accounts. The only accounts left at BB&T are the HFC's main business account and the Rowlett HFC Foundation account.

The budgeted vs. actual expenses for the third quarter of the year show expenses to be just under 6% over budget, or just under \$6,000. The main account causing the overage was accounting expenses, which were nearly 50% over budget, or just over \$11,000. The cause was noted to be the additional work to setup the Enclave Rowlett accounts as no funds were forecast for adding additional developments. Without the accounting overages, the budget would be roughly 6% under budget for the first three quarters of the year. Karl Crawley suggested that going forward, we should budget for one new development per year to address this issue.

6. Hear presentation from Hilltop Securities and provide feedback regarding a mortgage credit certificate (MCC) and down payment assistance program (DPA).

Claire Merritt presented to the Board the concept of MCCs and the possible amount that could be issued in Rowlett based on the past two years of home sales. To help alleviate a large capital outflow from the HFC, there are options to partner with TDHCA on the MCC as well as a DPA program. If the HFC were to fund both programs, there would be roughly a \$52,000 capital outlay.

After discussion among the Board, Claire was requested to put together more detailed information on the programs and forward to the Board for further review and a possible presentation at a future Board meeting.

7. Discuss and provide direction to staff to investigate opportunities for local engagement by the Rowlett HFC Foundation.

Staff opened the discussion by noting that the HFC Foundation now has \$150,000 operating capital and that the Board should begin to look at ways to use the funds to help the Rowlett community. All of the multifamily work that the HFC does, while necessary to accumulate funds for local investment, is seen as a negative in the community. Increasing the HFC's visibility through the Foundation would be good to make a more positive impression on the citizens of Rowlett and provide needed assistance.

Examples could be a neighborhood grant program to help enhance HOA-managed neighborhoods, partnering with the City's Community Development Block Grant (CDBG) program to provide repairs for lower income citizens, or working with Habitat for Humanity to provide services to the citizens.

Dan Pence mentioned that he has found out that the city inspections department has a good handle on the properties in the city that are in need of repairs that homeowners cannot afford. Debby Bobbitt seconded that idea and noted that repairs are a dire need. Karl Crawley offered that the Foundation could seek partnership opportunities and could provide seed money for different programs. Karl also mentioned that the HFC needs to publicize any grants and community work that we do. There is a need to set up seminars with members of city staff and elected officials to help spread the word.

Staff will follow up on the ideas presented and prepare options for the Board to decide on at the first of the year.

8. New/Other Business

Staff provided an update on the current projects in development and construction.

9. Adjourn

The meeting adjourned at 10:14 a.m.

By: 
Dan Pence
Vice President

ATTEST: 
By: _____
Rick Sheffield
Secretary

Date approved: 11/17/21