

Rowlett Housing Finance Corporation

Board of Directors' Meeting Minutes: June 16, 2021, 8:00 a.m. Video Conference

Board Members:

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

Absent: Riki Harper

Quorum present? Yes

Others Present via conf: Ryan Bowen, Chapman Cutler; Tim Nelson, Hilltop Securities; Mica Owens, Hilltop Securities.

1. Call to order.

The meeting was called to order at 8:03 a.m. by President Karl Crawley.

2. Consider action to approve an inducement resolution for the Vista Northshore Apartments.

Bill Fisher presented the development to the Board. The property will have 290 units, with a higher mix of 2 and 3 bedroom apartment homes catering to families. The development conforms to the existing approved regulating plan so it will not be necessary to go back to P&Z and Council for approvals. The leasing rates will be targeted toward those families earning 60% of the Average Median Income for Rowlett. The current schedule calls for closing by the end of 2021.

Barbara Holst made a motion, seconded by Dan Pence, to approve the Inducement Resolution for Vista Northshore Apartments. The motion passed unanimously by those members present.

3. Consider action to approve a resolution and incumbency certificate which allows the HFC's LLC entities to participate in the JPM capital class money market funds.

Mica Owen with Hilltop Securities provided background on the money market funds. The funds are stable as they are invested in U.S. Government funds (treasuries, agencies, and repurchase agreements) only so the share price does not fluctuate; they are tied to the Federal short term rates. Approval of this item would allow the HFC's LLCs to participate in the program, managed jointly by J.P. Morgan and Hilltop Securities. The program is also easy to use, with online access as well as a toll-free number to contact Hilltop to manage any transactions.

Barbara Holst made a motion, seconded by Dan Pence, to approve the resolution and incumbency certificate to allow the HFC's LLCs to participate in the program. The motion passed unanimously by those members present.

4. Consider action to approve an application for participation in the Local Government Investment Cooperative (LOGIC).

Mica Owens with Hilltop Securities again took the lead on this item and briefed the Board on the LOGIC Pool, which is administered by J.P. Morgan and Hilltop Securities. The main goals of LOGIC are:

- Protection of the principle
- Provide liquidity
- Provide a level of diversification
- Yield

In addition to investments in the three areas noted in the money market funds (treasuries, agencies, and repurchase agreements), this pool also invests in commercial A1P1 paper. The HFC can have multiple accounts and transactions at no cost. Wires are not bundled; they are sent out every hour, on the hour. The pool has \$8.2B in assets under management with 633 participants and has an AAA rating, the highest for pools. Over half of the participants consist of school districts and municipalities. Staff added that the plan would be to divert some funds from the TexPool Prime account to this fund to provide for diversification, along with the LLC money market funds.

Dan Pence made a motion, seconded by Debby Bobbitt, to approve the HFC's participation in the LOGIC investment pool. The motion passed unanimously by those members present.

5. Consider action to approve the minutes from the May 19, 2021 Board of Directors' meeting.

Dan Pence made a motion, seconded by Barbara Holst, to approve the minutes as presented. The motion passed unanimously by those members present.

6. Hear presentation on May 2021 operating financials.

Staff presented the operating financials for May. Expenses were minimal with the exception of the payment to Chapman and Cutler for the creation of the Rowlett HFC Foundation, a 501(c)(3) Corporation.

7. Consider action to amend the FY2021 operating budget to include payment for the creation of the Rowlett HFC Foundation, a 501(c)(3) corporation.

Staff briefed the Board on the budget amendment. In it's July 2020 meeting, the Board approved the creation of the Foundation and authorized the \$15,000 payment to Chapman & Cutler to be paid from the 2020 bond issuer fee due the HFC for the Lakeview Pointe development.

The application and approval process took nine months to complete as a result of COVID work at home directives with the IRS. When staff prepared the operating budget for

FY2021, this outstanding payment that was approved five months prior was overlooked and not included in the proposed budget. This budget amendment corrects that error.

Dan Pence made a motion, seconded by Barbara Holst, to approve the FY2021 budget amendment. The motion passed unanimously by those members present.

8. New/Other Business

Staff updated the Board on the status of the Creekside Village single family development. The architect drafted a site plan based strictly on SF-5 standards which reduced the number of lots from 33 to 20. Staff is concerned that the decrease in density could impact the ability for the project to pencil out.

9. Adjourn

The meeting adjourned at 9:08 a.m.

By: 
Karl Crawley
President

ATTEST: 
By: _____
Rick Sheffield
Secretary

Date approved: 7/23/21