

Rowlett Housing Finance Corporation

Board of Directors' Meeting Minutes: July 17, 2019, 9:00 a.m.

Fulton Building, Longhorn Conference Room

4113 Main Street, Rowlett, TX 75088

Board Members:

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

Absent: Karl Crawley

Quorum present? Yes

Others Present: Ron Miller

By Audio Conference: Claire Merritt, Hilltop Securities

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 minutes of the June 19, 2019 meeting.

Director Pence made a motion to approve the May meeting minutes as written, seconded by Director Harper. The motion passed unanimously.

3. Consider action to approve housing elevations for Reverie project.

Staff and Mr. Ron Miller presented the Board with several options for housing elevations that were provided by Derek Avery from COIR. Mr. Avery was unable to attend the meeting. Mr. Miller covered a lot of the history of the project and what he felt the HFC should ultimately work towards – self funding and servicing our own mortgages. This is a vision for several years down the road.

The discussion then focused on home and lot widths, as well as square footage for the homes. The optimum site layout would be for 29 homes to allow for the project to pencil in with 1,050 to 1,300 square foot homes. The goal is to keep the homes' sales price at or below \$190,000. The homes need to be 30 – 32 feet in width with a focus on an expanded one car garage (14' width). Mr. Miller and staff will work with the builder to obtain two one-story and two two-story home plans to fit those criteria.

Mr. Miller proposed that the Board consider a maximum lot width of 40 feet with home widths at 32 feet or less. The homes should have three bedrooms, two bathrooms, and be between 1,050 and 1,300 square feet total. Staff concurred with the proposal. The item passed by unanimous consent. Mr. Miller left the meeting at that time.

4. Consider action to develop a definition of "affordable" for single family homes in Rowlett.

Staff gave a brief presentation showing the Average Median Income (AMI) for Rowlett as \$88,780. The goal of this item is for the Board to determine what is affordable for the Reverie project and use that model going forward for any future single-family

detached home construction projects. The Board discussed many levels, determining that 60% AMI would not earn enough income to qualify for these homes. The main answer for 60% AMI remains multi-family tax credit developments. 100% AMI looks like the high end, but the Board discussed the need for additional study to determine what the low end should be.

Vice President Hargrave motioned to table the item until the August 21, 2019 meeting; Director Harper seconded. The motion passed unanimously.

5. Hear presentation on June 2019 financials and YTD progress on budget.

Staff presented the Monthly Reporting of Accounts and provided account balances and financial transactions for June 2019. All the HFC funds are now in BB&T Bank and TexPool. Staff also presented an operating budget update for the end of 2Q19 showing budgeted funds versus actual funds spent. Operating costs at the end of the second quarter stood at 55% of the annual budget. The main factors noted included the fact that the accounting firm performed a full year's compilation report which was not budgeted as none was done in 2017. In addition, the Board voted to lease office space beginning in April 2019. Rent costs and one-time equipment and furnishing expenses were not in the budget at the first of the year. There being no further action required, none was taken.

6. Hear presentation on housing bills passed in the 86th Texas Legislature.

Staff presented information on the top three housing bills that will impact the way that the HFC will do business going forward:

- SB 493, relating to the allocation of housing tax credits to developments within proximate geographical areas.
- HB 1973, relating to the system by which an application for a low-income housing tax credit is scored.
- SB 1474, relating to private activity bonds.

The last bill, SB 1474 should have the biggest impact as it allows HFCs to issue up to \$50 Million for projects prior to the old August 15th cutoff date. The bill was a "maintenance activity" on a law that had not been updated in over 15 years.

7. Consider action to appoint attendees for the TALHFA Annual Conference to be held October 2-4 in Houston, TX.


After discussion, staff was directed to plan for the entire Board to attend the meeting through unanimous consent.

8. New/Other Business.

Staff updated the Board on the status of the Habitat for Humanity Veterans' Build project. The zoning change request will be heard by the Planning and Zoning Commission on Tuesday, July 23rd at 7:00 p.m. A letter of support for the project was sent to the Planning Department staff for inclusion in the Commissioners' meeting packets.

Vice-President Hargrave will represent the HFC at the meeting since President Holst and Executive Director Sheffield will be in Austin at the Texas Housing Conference on that date. The case is set to be heard by the City Council on August 6th.

10. Meeting adjourned at 10:54 a.m.



Barbara Holst, President



Rick Sheffield, Secretary

Date approved:

