

Rowlett Housing Finance Corporation

Board of Directors' Meeting Minutes: August 21, 2019, 9:00 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, Karl Crawley, and Rick Sheffield, Past President and Executive Director

Absent: None

Quorum present? Yes

Others Present: Kenneth Fambro & Graham Johnson with Integrate Real Estate Group

By Audio Conference: Claire Merritt: Hilltop Securities, Ryan Bowen: Chapman & Cutler, Tim Nelson: Hilltop Securities (joined audio conference later in the meeting).

1. Call to order.

The meeting was called to order at 9:03 A.M. by President Barbara Holst.

2. Consider action to approve the minutes of the July 17, 2019 meeting.

Directors Crawley and Harper noted two corrections to the minutes. Director Crawley made a motion to approve the May meeting minutes as amended, seconded by Director Harper. The motion passed unanimously.

3. Consider action to enter into a memorandum of understanding to partner with Integrated Real Estate Group to develop a Market Rate/80% AMI multifamily project.

Kenneth Fambro and Graham Johnson with Integrated Real Estate Group presented a proposal for a mixed workforce and senior housing project. This would be a Class A standard development and would include a mix of units priced at 49% market rate and 51% at 80% of the AMI. This would help to address the "missing middle" – those that earn too much to qualify for the 60% AMI tax credit properties, but not enough for market rate prices. IREG self manages their properties and work on a 25-year hold model. Mr. Fambro invited the Board to visit one of their developments, One 90 Firewheel, in Garland. A schedule for the visit will be determined.

After discussion, Vice President Hargrave motioned for the Board to agree to enter into a Memorandum of Understanding (MOU) with IREG to create a partnership for the development. Director Pence seconded the motion which passed unanimously. Ryan Bowen was tasked to work with IREG's representatives to bring a draft MOU back to the Board for approval.

4. 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 July 2019.

5. Consider action to approve a mid-year operating budget adjustment.

Staff presented information regarding non-planned items that are now being paid for outside of the current budget; the main item being office rent. After discussions with the accounting team, it was deemed appropriate to come to the Board to request an adjustment to the operating budget to account for \$550 per month for rent from April through December 2019. The total amount of the adjustment is \$4,950.

Vice President Hargrave motioned to approve the budget adjustment; Director Harper seconded the motion. The motion passed unanimously.

6. Consider action to develop a definition of “affordable” for single family homes in Rowlett (Tabled in July meeting).

Director Crawley made a motion to remove the item from the table, seconded by Vice President Hargrave. That motion passed unanimously.

After much discussion on income and housing prices, Director Crawley made a motion to set the upper income limit for buyers at 100% AMI and allowing the market to set the lower limit. Director Pence seconded the motion and it passed unanimously.

7. Consider action to adopt a change to the IHFC LLC Agreement.

Staff presented information on the revised IHFC LLC agreement proposed by TRIO. The original agreement approved by the Board called for payments to be made to the Class A and B partners on an annual basis. This revision changes that to quarterly payments.

Vice President Hargrave motioned to adopt the revision to the IHFC LLC agreement as presented. The motion was seconded by Director Crawley and passed unanimously.

8. TAAHP Texas Housing Conference Review.

President Holst and staff offered their views on the Housing Conference that they attended in July 2019. The most interesting topic was a three-session presentation on the tax credit program. Several contacts were also made with developers from around the country.

9. Consider action to reschedule the September 18th Board of Directors' meeting.

President Holst and Executive Director Sheffield will be in Washington, D.C. from September 16 -18 and will not be available for the regularly scheduled meeting. After discussion, Director Pence motioned to move the September Board of Directors' meeting to September 25, 2019. Director Harper seconded the motion; it passed unanimously.

10. New/Other Business.

Staff updated the Board on recent meetings with Habitat on the land search for the Veteran's Build and with City Council on the requested changes to the HFC's Articles of Incorporation.

11. Adjourn

The meeting adjourned at 11:15 a.m.



Barbara Holst, President



Rick Sheffield, Secretary

Date approved: 9/25/19