

## Rowlett Housing Finance Corporation

### Board of Directors' Meeting Minutes: September 16, 2020, 9:00 a.m. Video Conference

#### Board Members:

*Present by Zoom Conference:* President Barbara Holst, Riki Harper, Dan Pence, Karl Crawley, and Rick Sheffield, Past President and Executive Director,

*Absent:* None

*Quorum present?* Yes

*Others Present via conf:* Tim Nelson, Hilltop Securities; Ryan Bowen, Chapman Cutler

#### 1. Call to order.

The meeting was called to order at 9:02 a.m. by President Barbara Holst.

#### 2. Consider action to approve the August 19, 2020 meeting minutes.

The motion passed by unanimous consent.

#### 3. Hear presentation on August 2020 financials.

Staff presented the operating cash flows for the month of August 2020. Revenues were received from the SETH 5 Star program and reimbursement of credit card credits. Expenses were minimal, with salary being the largest expenditure.

#### 4. Consider action to appoint a new HFC Board Vice President.

Dan Pence nominated Karl Crawley for the position of Vice President which received unanimous approval from the Board.

#### 5. Consider action to approve Bylaws, and a Conflict of Interest Policy for the Rowlett HFC Foundation, including appointing a Board of Directors and Officers for the Foundation.

Staff, along with Ryan Bowen, briefed the Board on the required documents to form the Rowlett HFC Foundation, a 501(c)(3) corporation. Creation of the Foundation will make the HFC a more valuable partner to developers and tax credit equity investors by permitting ownership partnerships to more easily take advantage of accelerated depreciation permitted under the tax code. Additionally, the state sales tax exemption is more easily obtained with a 501(c)(3) entity and creation of a 501(c)(3) is necessary if the HFC would like to participate as general contractor on any developments using HUD financing.

Staff pointed out one change to the document from what was included in the meeting packet. Since one individual cannot serve as President and Secretary, the Secretary

position was changed to reflect that those duties would be performed by the Vice President of the HFC Board.

Dan Pence made a motion to accept the documents with the changes noted; Riki Harper seconded the motion which passed unanimously.

6. Consider action to approve a General Partner Formation Agreement and LLC Agreement for the Cypress Creek Rowlett GP, LLC.

Ryan Bowen briefed the Board on the documents. Bonner Carrington is submitting their 35-day filing to the Texas Bond Review Board on the Cypress Creek deal. A General Partner (GP) entity for that deal must be formed now since it cannot change after the 35-day filing. Ownership of the GP entity will likely be transferred to the new 501(c)(3) once the designation has been received from the IRS.

Karl Crawley made a motion to approve the documents as presented, seconded by Dan Pence. The motion passed unanimously.

7. New/Other Business

Tim Nelson briefed the Board on a possible Inducement Resolution to be brought forward by Sonoma Investments for the Merritt Road property where the previous Residences of Merritt Hill project was to be constructed. Timing will be key as Sonoma will be submitting for the October 15<sup>th</sup> fallout for bond allocations. As such, the Board may need to move up their regularly scheduled October meeting to hear the request.

Staff provided a brief update on the vacant Board position. The City Secretary has been asked to provide a list of applicants. The President, along with a subcommittee of City Council will interview the applicants and the City Council will formally appoint the top candidate, probably at one of their October regular meetings.

Staff updated the Board on the Enclave at Main project. The City Council reviewed the developer's PILOT proposal during Executive Session at last night's Council meeting. More information will be shared as it is received from the City.

Staff provided updates on a possible single family project on the property adjacent to our seniors' development. A proposed site plan was presented showing 37 lots. Meetings are to be scheduled next week with City staff to begin pre-development activities.

8. Adjourn

The meeting adjourned at 9:49 a.m.

DocuSigned by:

*Barbara Holst*

Barbara Holst, President

Date approved: 10/14/2020

DocuSigned by:

*Rick Sheffield*

Rick Sheffield, Secretary