

Rowlett Housing Finance Corporation

Board of Directors' Meeting Minutes: September 25, 2019, 9:00 a.m.

Fulton Building, Longhorn Conference Room

4113 Main Street, Rowlett, TX 75088

Board Members:

Present: President Barbara Holst, Dan Pence, Riki Harper, Karl Crawley, and Rick Sheffield, Past President and Executive Director, Mark Malveaux: McCall, Parkhurst & Horton LLP (joined in progress).

Absent: Vice President Bruce Hargrave

Quorum present? Yes

Others Present: Gary Lacey with The NuRock Companies, Ron Miller (joined in progress).

By Audio Conference: Claire Merritt: Hilltop Securities, Ryan Bowen: Chapman & Cutler, Tim Nelson: 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 August 21, 2019 meeting.

The minutes were approved by unanimous consent

3. Hear presentation on August 2019 financials and YTD progress on budget.

Staff presented the Monthly Reporting of Accounts and provided account balances and financial transactions for August 2019.

4. Consider action to rescind HFC policy of maintaining a \$150,000.00 minimum bank balance.

Staff presented information regarding the March 2018 Board meeting minutes where the initial minimum balance was set. Staff then suggested that this amount was too high; the funds should be kept in TexPool where they can earn interest. The suggestion was to maintain enough in the main bank account to cover three months of expenses (around \$25,000).

Director Harper motioned to rescind the \$150,000 minimum balance and set it to cover three months of operating expenses; Director Crawley seconded the motion. The motion passed unanimously.

5. Consider action to approve a Memorandum of Understanding (MOU) to partner with Integrated Real Estate Group to construct a multifamily workforce project.

Staff reported that negotiations were still ongoing with regards to the creation of the MOU. Work should be complete within the next week and could either be sent to the Board for approval via email, or at the next meeting on October 16, 2019.

Director Crawley motioned to table the item until such time that the MOU is ready for the Board's review. Director Harper seconded the motion which then passed unanimously.

6. Consider action to approve an Inducement Resolution for The Nurock Companies to construct a workforce and a senior-restricted multifamily project.

Gary Lacey with The NuRock Companies presented two proposed affordable communities to the Board. One would be a senior-only development with 180 – 200 units and the second would be for family/workforce, consisting of 260 units. The land is zoned for multifamily in the City of Rowlett's Future Land Use Plan that was developed as part of the recent update to the Comprehensive Plan. This should help in getting the existing Urban Village/Neighborhood rezoned to accommodate these developments.

Staff added that the multifamily application had just been received the day before and Bond Counsel has yet to review and create the Inducement Resolution. Staff recommended tabling this item as well to give Counsel time to create the necessary documents.

Director Crawley motioned to table the item to a date uncertain. Director Pence seconded; the motion passed unanimously.

7. Consider action to adopt construction methods for the Reverie project.

Ron Miller joined the meeting to discuss costs for utilizing manufactured housing in lieu of on-site constructed homes. The numbers show that we can construct the homes for roughly \$90 per square foot, plus on-site installation to the pad.

Development costs for the land would be approximately \$25,000 per lot. We could eliminate the General Contractor and utilize a project manager at 1/3 of the cost. Even with these numbers, the land price would need to be closer to \$250,000 rather than the currently quoted \$400,000.

Staff asked for consensus among the Board members for staff to: 1) continuing research on manufactured homes, to include a trip to the production facility, 2) work with City staff to get manufactured homes approved for use in the city, and 3) negotiate with the landowner to get land costs down to a manageable level. After discussion, the Board approved the request via unanimous consent.

8. NALHFA Legislative Conference Review.

President Holst reviewed the conference, noting that the National Press Club was a great place to hold the meeting; lots of history to view there. There were some good speakers that discussed the Affordable Housing Credit Improvement Act of 2019 and what we at the local level can do to help its passage. She also noted that in the future, it did not make sense for more than one person to attend the conference. Given that Executive Director Sheffield sits on the Legislative Committee, he should represent the HFC going forward.

Executive Director Sheffield noted that learning how the approval process works in the Legislature was very interesting. The bill will be tacked on to the T-HUD legislation and enjoys large bipartisan support.

9. Discuss travel arrangements for the Board to attend the TALHFA Annual Conference.


The TALHFA Annual Conference is in Houston from October 2nd through the 4th. Executive Director Sheffield will need to leave the conference early, on the afternoon of the 3rd. Travel arrangements need to consider that the four other members would need to travel back in one vehicle.

Director Pence offered to drive. Everyone agreed to meet at City Hall on the morning of the 2nd to leave for Houston.

10. Adjourn

The meeting adjourned at 11:05 a.m.


Barbara Holst, President


Rick Sheffield, Secretary

Date approved: 10/16/19