



Rowlett

Housing Finance Corporation

**Board of Directors Meeting Minutes
Tuesday, October 29, 2024, at 4:00PM
5702 Rowlett Rd., Rowlett TX 75089**

1. Call to order:

President Winget called the meeting to order at 4:01 PM with a quorum present (Directors Winget, Dunnican, Holston, Schupp and Kull). Also present were Bill and Melissa Fisher with Lakeview Seniors and Rowlett City Council Member Elise Bowers. Attorney Bowen with Chapman and Cutler attended by phone.

2. Public Input:

There was no public input.

3. Approval of Minutes

Consider and take action to approve the HFC Board of Directors meeting minutes of September 26, 2024. Director Holston made a motion to approve the minutes as submitted, and Director Schupp seconded the motion. The motion passed unanimously.

4. Legal Update:

Attorney Bowen advised the HFC board that an insurance company has taken over handling the default judgment case and it's preceding the way we wanted it to. He also mentioned the attorney fee invoice has been forwarded to Melissa Fisher for payment and that's where that stands presently. Director Holston asked if an invoice has been sent to RISE, and Executive Director Urrutia said not until he separates out two different billings, one to the insurance company and one to the Fishers. Director Holston wanted to be clear that our legal fees will be paid by these entities, and Attorney Bowen said that was correct.



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There being no further questions on this item, President Winget said we'd move on to Agenda Item 5.

No Action was taken on Agenda Item 4.

5. Financial Report 3rd Quarter 2024:

President Winget pointed out the financial report was provided in the Board Packet and asked for questions on this Item. Director Holston asked if we know at what point the HFC will run out of cash. President Winget said there is \$500,000 invested, which drew \$27,000 interest in 2024, and that is somewhat liquid cash. Director Holston said he was concerned about cash flow, and President Winget mentioned another report in the Board Packet that we will look at later in today's agenda dealing with payments from 190/Main. President Winget then said HFC finances is a legitimate concern, and he recommended a separate work session on this matter at a future date. Executive Director Urrutia suggested phone input from the HFC Accountant at such a work session. Attorney Bowen concurred that would be a good idea. There being no further questions on the financial report, President Winget said we would move on to Agenda Item 6.

No Action was taken on Agenda Item 5.

6. Update/Discussion on Lakepoint Seniors

President Winget pointed out that Bill and Melissa Fisher with Lakeview Seniors were in attendance to address this Agenda Item. Ms. Fisher said they are waiting for elevator inspections to clear so they can open upper floors to tenants, and believed this would occur within the next week or so. She confirmed this is the Otis Elevator Company. President Winget asked if Building 2 was complete. Mr. Fisher said they are waiting for a fire inspection to be completed so they can occupy the first floor. He said there are people housed in community facilities who have been waiting to move into those units. Director Schupp asked if inspections,



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etc. are going smoothly and Mr. Fisher said yes. Director Holston asked about Rental Rates, and Ms. Fisher said one bedroom apartments rent for about \$1,000 per month and two bedrooms for about \$1,400 per month. Mr. Fisher explained how income and vouchers work to help residents with utilities and rent. He also said they work closely with Veterans and Spouses. President Winget suggested they might reach out to the Rowlett Veterans Resource Center. Mr. Fisher also pointed out they provide many other services to their residents, including checking on wellbeing, van transportation to stores and voting, meals on wheels, and others. Director Holston asked about occupancy, and Mr. Fisher said they have waiting lists for their senior living apartments. He also said they give priority to local Rowlett Residents for their leases in answer to Director Schupp, who then suggested a Grand Opening for this development. An Open House was scheduled for Tuesday, April 22, 2025. There being no additional question on this Agenda Item, President Winget said we would move on to Agenda Item 7. No action was taken on Agenda Item 6.

7. One90 Main Update:

Executive Director Urrutia pointed out the 190/Main payment schedule provided in the Board Packet. Attorney Bowen said at closing the HFC should have been paid a \$278,000 developer fee. And an additional HFC payment at completion should be \$92,000, and this should not be too far off. Sometimes these payments may be deferred by mutual agreement. At this point, Attorney Bowen said the HFC accountant would be better able to explain this provision. However, he said there should be another \$250,000 payment coming to the HFC, and there is a \$10,000 management fee built in, as well. He finished by reiterating there should be another \$92,000 coming to the HFC soon, when the project is completed. President Winget asked about provisions in the agreement dealing with transfer of project ownership. Attorney Bowen said if the project is sold to another entity, the HFC would receive 6% of the sale and the partnership



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would cease. He further explained that 190/Main does not have the ability to unilaterally assign their interests without our consent. President Winget asked when Enclave was formed, and Attorney Bowen said he believed it was 2021 when they closed on the financing. President Winget asked if any of the General Partner Management Fee was ever paid to the HFC, and Attorney Bowen said that becomes payable when the final Certificate of Occupancy is issued. Director Holston recommended the HFC alert 190/Main that we're expecting that payment, and Attorney Bowen said that Executive Director Urrutia should ask Mr. Fambro when the project will be complete and confirm with him when that fee will be paid. President Winget said it doesn't really relate to the HFC, but he was interested to know when the PILOT would be paid to the City of Rowlett. Attorney Bowen did not have that information readily available. Director Holston said it appeared at closing there should have been \$278,000 and \$150,000 for \$428,000, can that be verified? Attorney Bowen said those should have gone into Special Purposes, and the Foundation should have received \$150,000. President Winget said Enclave Holdings has \$190,000 in its account. Director Holston said that should be reconciled. Attorney Bowen said it should be verified that those payments were made. Attorney Bowen then addressed the PILOT question. He said the trigger for that payment is January 1st following the issuance of the first temporary Certificate of Occupancy, and payable on October 1st and each subsequent October 1st. He said if the temporary CO was issued in 2024, then the payment would be due in 2025, however if the temporary CO was issued in 2023, then payment would be due this year. President Winget said he would look into when that CO was issued. Director Holston observed that the schedule of payments in the Board Packet is really meaningless without the dates relevant to the triggering events. That will also facilitate our planning if we know what our income is, and when it's expected.



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Director Holston asked if the Savannah deal is the same as the 190/Main deal, and Attorney Bowen said yes, he believed the structure is the same. In that case, we need to determine when and what is due so we can plan and get the two developers to agree they're going to pay these amounts. President Winget said we want a payment schedule for Savannah and an accounting for both projects for what if anything has been paid to date. President Winget asked if there are any other questions on this item. There being no additional discussion, President Winget said we would move on to Agenda Item 8. No action was taken on Agenda Item 7.

8. Update on HFC Insurance

Executive Director Urrutia said there was an email in the Board Packet from Robbie Ryan regarding his research on D&O, P&L and GL coverage for the HFC Board. He pointed out Mr. Ryan is having trouble finding these coverages but is still following up on several options. Director Holston said he still wants D&O insurance for the HFC Board Members. President Winget said he didn't see us getting General Liability (GL) Coverage, the costs are too high and probably not needed for the work we do. However, I believe we need D&O and Errors and Omissions coverage. Executive Director Urrutia will continue to work with Mr. Ryan to secure this coverage for the HFC Board. Director Holston asked Attorney Bowen to review the coverage we eventually get to make sure it does what we want it to do. There being no further questions on Agenda Item 8, President Winget said we would Move on to Agenda Item 9. There was no action taken on Agenda Item 8.



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9. Office Update:

President Winget asked Cori Reaume, Director of Rowlett Community Development to join the meeting to discuss this item. President Winget then reminded the Board that at the last meeting he mentioned the Church and the Church building where the HFC has our office does not currently have a Certificate of Occupancy. He pointed out that they are in the process of applying for a waiver from the city concerning the number of parking spaces at the site. During this process the City has issued a grace period, so we do not have to vacate our office space. Ms. Reaume said the original CO was issued by the City in error. The parking space owned by the church is not considered adequate for the current use of the building.

However, there are sufficient parking spaces taking into account those at an adjacent business (Slater's Landscaping) and street parking, so it is the intent of Community Development to apply for a City Council waiver, which if approved would result in a permanent Co. Director Holston asked how long is our current lease, and Executive Director Urrutia said it is month to month at \$550.00 per month, and comparable office space in Rowlett would cost more than double that amount. President Winget said he was exploring alternatives such as the CERT building, the Rowlett Community Center and the Fire Admin Building, but no firm option has been identified at this time.

There being no additional discussion on this Agenda Item, President Winget said we would move on to Agenda Item 10.

No action was taken on Agenda item 9

10. Vision/Mission Statement of the RHFC:

Directors Dunnican and Holston have both submitted statements for Board consideration. Director Kull said the September 26, 2024 HFC Board minutes has a copy of the proposal from Director Dunnican, and a copy of the proposal from Director Holston was circulated to the members. Director Dunnican said she would like to



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combine these two proposals and bring a new statement to the next Board Meeting.

This Agenda Item was tabled until the next HFC Board meeting and no action was taken on Agenda Item 10.

President Winget said we would move on to Agenda Item 11.

- 11. Items of Community Interest, Items for Future Agenda:**

President Winget asked the Board to discuss to idea of a ribbon cutting event at 190/Main as well as Savannah, or just at Savannah as proposed earlier in this meeting. Director Dunnican said she thought the Savannah event was important because it represents something Rowlett doesn't have. President Winget said we should have Senior Affordable Housing opportunities in Rowlett on the next agenda. Director Holston said he wanted clarification on the timing of HFC income for better planning, and President Winget suggested that could be a topic for a strategic planning workshop meeting. President Winget asked if November 26, 2024 at 3PM would work for our next meeting, where the first hour will be a strategic planning session with our accountant. This was agreed to by the Board Members. The workshop Agenda Items will be Mission Statement, Senior Housing Options, Budget and Finance. The Board Agenda should include a presentation from 190/Main on a payment schedule, a payment schedule from Savannah, an accounting schedule of all fees that are due and have been paid (or not paid) including the \$92,000 payment from 190/Main and a report on office space options. There was no further discussion on this Agenda Item.

No action was taken on Agenda Item 11.

12. Adjournment:

There being no further business, the meeting was adjourned at 5:45PM.



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Approved on November 26, 2024.

Jeff Winget 2024 President

Richard Kull 2024 Secretary