



Rowlett

Housing Finance Corporation

**Board of Directors Meeting Minutes
Wednesday February 14, 2024, at 3:00PM**

5720 Rowlett Rd., Rowlett TX 75089

1. Call to order:

President Winget called the meeting to order at 3:01 P.M. with a quorum present (Directors Winget, Schupp, Kull and Holston). Attorney Berman was also present. Ryan Bowman of Chapman and Cutler attended by phone.

2. Public Input:

There was no public input.

3. Approval of Minutes:

Consider and take action to approve minutes. Director Holston made a motion to approve the minutes of January 30, 2024, as submitted, Director Schupp seconded the motion, and motion was unanimously approved.

4. Discuss and consider a resolution to enter into a loan agreement with IBC Bank for Savannah at Lakeview and authorize the President to sign on behalf of the RHFC. (If approved, this item requires authorization by the City Council to take effect).

The RHFC was provided with a copy of the subject resolution. Previously, a loan was issued to the RHFC/Savannah partnership in the amount of \$3.5 million intended to allow continuation of construction at the Savannah Project, pending distribution of insurance claims funds due as a result of fire(s)

at the project site. Savannah is now requesting an extension of that original loan for an additional \$3.5 million in order to proceed with construction of building number 2 at the project. RHFC is being asked to approve this extension agreement as General Partner in the Savannah Project. This second loan has become necessary because lawsuits are pending that, if successful, will release additional insurance funds that are now being held.

The IBC Bank has approved this loan, which should allow completion of the Project. That should also allow Project management to begin PILOT and other payments to the City of Rowlett and RHFC. It was noted that the IBC Bank is not claiming the subject property as collateral but has agreed to accept a tax credit agreement investor arrangement instead, although it was not clear how that would actually work. Attorney Bowman explained how that might be structured but said he did not have any information on this matter and recommended that RHFC request a copy of the loan documents to know the nature of this agreement.



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During extensive discussion it became clear RHFC needed additional information regarding the lawsuits, loan agreement, project completion time frame and some assurance this loan would be sufficient to complete this project. Attorney Bowman said normally RHFC would be provided with the loan documents from the Lender and their Council as part of the approval process. RHFC review of the loan documents should result in a formal resolution document for approval. Attorney Berman said there was no way to predict that the pending lawsuits would be successful, and that the Insurance funds would eventually be available to pay off the loans. However, it did appear at this time the case was being handled properly and should result in additional funds from the insurance claim. Executive Director Urrutia was asked to request the loan documents from IBC Bank for RHFC review. Attorney Berman said approving the Savannah Resolution today would allow his process to go forward and provide time to gather this additional information. Attorney Bowman said the applicants want The RHFC to approve another tax-exempt bond so we would need a Formal Resolution. He said he agreed with Attorney Berman that this resolution was preliminary and ok to sign, pending receipt of additional information. Attorney Berman repeated his agreement, outlined the procedure that would follow, with the understanding the City Council will have final authority to approve this loan after review of the pertinent documents. The RHFC requested Executive Director Urrutia contact Mr. Bill Fisher with the Savannah Project to attend the next RHFC meeting with the information needed to proceed with this loan request. President Winget then read the Partnership Resolution that he would sign if so authorized. Director Schupp made a motion to authorize President Winget to sign the Partnership Resolution, Director Holston seconded the motion. Motion passed unanimously.

5. Update on transition to new legal counsel:

Executive Director Urrutia presented a short background on Attorney Ryan Bowman, with Chapman and Cutler Law Firm. President Winget asked for a Formal Engagement Letter and was assured one would be forthcoming. No action was taken on this item.

6. Items of Community Interest, Topics for future agenda:

President Winget asked Executive Director Urrutia to arrange for a project update from The One 90 Main Development, with an appearance of their Representative at the next RHFC Board meeting.

7. Adjournment:

There being no further business, the meeting was adjourned at 4:14 P.M.



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Approved on February 29, 2024.

A handwritten signature in black ink, appearing to read "Jeff Winget", written over a horizontal line.

Jeff Winget 2024 President

A handwritten signature in black ink, appearing to read "Richard Kull", written over a horizontal line.

Richard Kull 2024 Secretary