



Rowlett

Housing Finance Corporation

Board of Directors Meeting Minutes

Thursday, June 27, 2024, at 4:00PM

5720 Rowlett Rd., Rowlett TX 75089

1. Call to order:

President Winget called the meeting to order at 4:00PM with a quorum present (Directors Winget, Holston, Schupp, Dunnican and Kull). Present by phone were Claire Lastrapes with Hilltop Securities, Rachael Jensen with Chapman and Cutler, and Scott Fletcher with the Texas Department of Housing and Community Affairs.

2. Public Input:

There was no public input.

3. Approval of Minutes

Consider and take action to approve the May 29, 2024, Minutes of the HFC Board of Directors Meeting. Director Schupp moved to approve the May 29, 2024; Minutes as submitted. Director Dunnican seconded the motion and it passed unanimously.

4. May 2024 Financial Report:

President Winget said the HFC Board had previously requested clarification of several of HFC finances. He said the packet provided for this meeting has additional information. This includes monthly payments for rent, payroll, Professional Services, insurance, etc. Director Schupp asked for clarification of travel expenses, meals, and related items. Director Holston asked if the HFC bylaws address parameters of expenses limits. Executive Director Urrutia said there are allowances for travel, and he gave several of these from last year.



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President Winget read from the expense policy, including credit card limits, FICA deductions, and rent among other items. He questioned withholding amounts, insurance expenses, and Director Schupp suggested the Board look into these matters at a future meeting. Director Dunnican asked if the office space was satisfactory and cost effective. Director Kull said he had looked into office space in Rowlett for another purpose and believed the current HFC office rent was a bargain. Executive Director Urrutia said the current space was sufficient at this time. President Winget suggested the Board could save some money by going to quarterly financial reporting. Director Holston moved to accept the financial report, with the provision that expenses of \$2,500.00 and over would require Board approval. Director Dunnivan seconded the motion, and it passed unanimously. Upon further discussion it was decided not to begin quarterly financial reporting at this time.

5. JPI Merrit Update:

Executive Director Urrutia asked Rachael Jensen to discuss two resolutions, one pertaining to the HFC Board and one pertaining to the HFC Foundation, which were included in the packet. She explained the resolutions are Standard Procedure describing the roles and responsibilities between the JPI Corporation and the HFC and HFC Foundation. She also recommended approval of both documents. Director Holston asked if the HFC was giving up any advantage by approving these resolutions. Ms. Jensen said no, the HFC would not be losing any advantages or assuming liability. President Winget asked why we were being asked to assign ownership to the HFC Foundation, and is this typical of other HFC and HFC Foundation organizations? Ms. Jensen said this arrangement is consistent with other organizations and the Foundation serves in a survivorship relationship for the partnership where the HFC benefits from this position. President Winget asked for clarification as to who is authorized to approve the Foundation Resolution, is it the HFC Board? Executive Director Urrutia said Attorney Bowman made it clear the HFC Board is also the Foundation Board and should meet a few times per year for IRS purposes. President Winget asked for the articles for the Foundation since we have not met as the Foundation to date. He then summarized the two resolutions as primarily the formation of



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Merritt Park Holdings, LLC and designating the HFC as the sole member of the General Partnership. Director Holston asked if we should have Counsel review the contents of these resolutions and provide in writing what Rachael told us today about the contents. Ms. Jensen said she would absolutely do that. Director Holston made a motion to accept the two documents on behalf of the HFC and the HFC Foundation. Ms. Jensen recommended the HFC meet as a Foundation Board separately to approve the Foundation Resolution. Director Holston amended his motion to accept the HFC Resolution. Director Schupp seconded the motion and it passed unanimously.

6. Update/Discussion on Lakepoint Seniors

Executive Director Urrutia said the City Council approved the new \$3.5 million loan at their 6/18/24 meeting. Ms. Jensen said they are waiting for bank confirmation, but they believe the funds are, or soon will be, available for this project. President Winget asked for regular reports to the Board on construction progress. Director Holston said that should include financial information on what they owe, to whom they owe, etc.

7. One90 Main Update:

Executive Director Urrutia said the buildings that are ready for occupancy are 21% occupied, and according to Mr. Fambro, there are no construction issues at this time. This project is finally making great progress toward completion. President Winget asked for additional financial reporting from Mr. Fambro, including cash payment schedules to the City and HFC. He expressed concern that we are not sure if we should be invoicing someone to initiate these cash payments into our accounts. President Winget asked Executive Director Urrutia to check with other similar HFCs to find out how they proceed in these matters.

President Winget then said we should move ahead to Agenda Item 9, and then return to Agenda Item 8



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9a. Update Discussion on HFC Participation in Single Family Home Mortgage Programs:

Executive Director Urrutia asked Claire Lastrapes to discuss three resolutions included in the packet. Ms. Lastrapes said Hilltop Securities staff have provided three resolutions inviting the RHFC to participate with TDHCA in single family housing mortgage assistance programs. This would involve issuing bonds to generate funds to pursue this option for low- and moderate-income families. After a detailed explanation of how this program works, Hilltop Securities Staff said they have assisted other HFCs in using this procedure and recommended it to the RHFC. They will work with RHFC to customize the program to fit our community and help market the benefits as well. Director Dunnican said TDHCA assists first time home buyers, along with two other organizations, but the local lender she uses favors TDHCA. Ms. Lastrapes then explained the resolutions they provided as follows:

Authorizes RHFC to enter into an agreement with TDHCA in order to assign and delegate RHFC's authority to issue bonds and mortgage credit certificates to TDHCA, which will act in partnership and on behalf of RHFC in issuing those bonds and certificates; RHFC authorizes Chapman and Cutler to apply to the Texas Bond Review Board for a reservation of funds not to exceed \$4 million for purposes of issuing bonds and credit certificates, and to delegate those funds to TDHCA for their administration, and to pay an application fee of \$500.00.

TDHCA will pay an ongoing fee of 4.75 basis points (HFC Fees) of the aggregate balance of HFC loans that have been pooled into mortgage-backed securities for a period of 10 years. This is paid directly to RHFC. Director Dunnican asked how RHFC will partner with TDHCA. We were told TDHCA will manage the details of funding, issuing bonds to secure loans, work with lenders, handle applications for loan assistance, reporting quarterly on loan status and dealing with state and other rules and regulations. Director Kull asked how the bonds are repaid and are the loans insured against default. We were told the bonds and loans are repaid from



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mortgage payment proceeds. In the event of default, bonds are paid first, and while every attempt is made to keep the homeowner in the home, if that fails the loans have been pooled into government insured/guaranteed products. Director Dunnican asked for assurance that RHFC funds will go to homes in Rowlett. There is consistent reporting and communication between RHFC and TDHCA regarding application of the program in the community. Director Holston asked for a comparison with other cities, like Rockwall and Garland. We were told that information was not readily available for this meeting, but we would be provided any information we want from these other cities. Director Dunnican asked for the last Quarterly Report, and we were told it would be provided. She then asked for a deadline.

for our decision, and we were told July 2, if possible, or as soon as possible and when we are comfortable with the arrangement. President Winget agreed to disconnect with the phone participants at this point to discuss these resolutions further. During discussion, Director Dunnican said since her lender liked this organization, she was comfortable going forward with them, and this would provide funds for one of our goals, Affordable Single-Family Housing. Director Schupp agreed with the concept. President Winget said it was not feasible for us or the city to administer this program, which is why TDHCA is approaching us to partner with them. Director Holston asked if there was any downside to this proposal, besides giving it to us at the last minute. Additional discussion did not reveal any downside; therefore, Director Holston made a motion to approve three documents, subject to review and approval by our legal counsel. Director Dunnican seconded the motion and it passed unanimously.

8. RHFC Vision/Mission Statement:

President Winget said he updated the HFC website and asked Board members to review it for any comments, additions, or corrections. Director Kull said he had copies of some Mission Statement ideas for Board member's consideration, which were



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distributed to everyone, and mentioned this was also included in the packet. These were meant as suggestions for future discussion.

President Winget asked for consideration for our next meeting date. July 30, 2024, at 4PM was agreed upon.

9b. Items of Community Interest, Items for Future Agenda:

President Winget asked Director Dunnican to consider a presentation on affordable single-family housing.

President Winget then said there being no further business the HFC Board meeting was adjourned at 5:56PM, and the members would reconvene as the HFC Foundation.

Adjournment:

There being no further business, the meeting adjourned at 6:36PM.

Approved on July 30, 2024.


Jeff Winget 2024 President


Richard Kull 2024 Secretary