



Rowlett

Housing Finance Corporation

Board of Directors Meeting Minutes

Thursday, March 28, 2024, at 4:00PM

5720 Rowlett Rd., Rowlett TX 75089

1. Call to order:

President Winget called the meeting to order at 4:03PM with a quorum present (Directors Winget, Holston, Dunnican, Schupp and Kull). Also present were Kellie McKee, Elise Bowers, and Kenneth Fambro, representing 190\Main and Melissa Fisher, Representing Savannah. Attending by phone were Claire Lastrapes with Hilltop Securities and Rachael Jensen with Chapman and Cutler.

2. Public Input:

There was no public input.

3. Approval of Minutes

Consider and take action to approve the Feb. 29th minutes. Director Schupp made a motion to approve the minutes of February 29, 2024, as submitted. Director Holston seconded the motion, and the motion was approved unanimously.

First President Winget said he recommended taking agenda item 8 first, in consideration of the guests and representatives in attendance.

8. 190/Main Update

Mr. Fambro presented a slide site plan of the 190/Main Multi-Family Development. He informed the HFC Board that due to Covid, a change in ownership of this project in 2021, there have been considerable delays in completing this build out. He assured the Board they are full speed ahead now and invited anyone interested to tour the site to see the progress being made toward leasing units. He also said they have not received



Rowlett

Housing Finance Corporation

a Certificate of Occupancy to date, but they expect to by April 8th, and that they are about 80% complete at this point. Executive Director Urrutia said this was not originally a market rate project, it was an HFC Project from the beginning. When asked about the development South of 190/Main, Mr. Fambro said they are not involved with that one at all. In response to questions about traffic flow in the project area, and the status of Herfurth Park, President Winget briefed everyone on City plans to construct a new City Hall, Public Safety Administration Building and Animal Shelter on Park property. He pointed out that all other park features originally planned would still be included. Mr. Fambro also said his development was not involved in the commercial portion of the site, and he did not know what was planned to be there. Director Dunnican asked about the Target Market Rate for this project, and Mr. Fambro said 140% to 200% AMI. President Winget said the HFC Board would like the following information from Mr. Fambro and his team:

- 1. An estimate of when the first PILOT payment would be paid to the city.**
- 2. A completion delivery schedule of when the first units would be available.**
- 3. Information of the Company history and background**
- 4. A copy of the original HFC agreement, and an HFC payment schedule**

No action was taken on this item.

President Winget recommended the Board move on to Item 5 on the agenda.

5. Update/Discussion on Lakepoint Seniors (Contract/Agreement):

Executive Director Urrutia said there was an update memo from Chapman and Cutler in the HFC Board packet. Ms. Jensen and Executive Director Urrutia said in their opinion this detailed memo addresses favorably our stated concerns with this Project from our last meeting. However, there are still questions about the terms of the original loan collateral arrangements. President Winget asked why the HFC, and not RISE, is co-signing this loan.



Rowlett

Housing Finance Corporation

Ms. Lastrapes said because of the Partnership arrangement, this is the typical procedure. Ms. Fisher said it was her idea to initiate this loan to keep construction going pending outcome of ongoing litigation intended to recoup their fire losses. Ms. Fisher had no update to Report on litigation progress.

President Winget recommended the HFC Board go into Executive Session in order to receive counsel from our attorneys going forward on this agenda item.

The HFC Board began the Executive Session at 5:14PM.

The HFC Board reconvened the regular meeting at 5:57PM.

President Winget assured Ms. Fisher the HFC Board is anxious to see this project completed as quickly as possible, but there were still a few questions.

to resolve before agreeing to sign the loan document. President Winget asked Ms. Fisher to provide the following information as soon as possible:

- 1. A detailed accounting of how (on what) the new \$3.5 million loan will be spent.**
- 2. A list of their other obligations/litigation expenses, and how they might be paid (if any) by this loan.**
- 3. An agreement that the HFC will be informed of all construction loan Draw amounts, and their use, at the time they are taken.**
- 4. A regular update on litigation progress.**

President Winget again made clear to Ms. Fisher that the HFC wants this project/loan to go through, but without the above information it would not likely be approved by City Council. Ms. Fisher agreed to provide the requested information. President Winget then said the Board had concerns about our potential liability in case of default. We will agree to a special meeting to deal with the loan when the above information is provided, and we have assurance all work done to date has been fully paid for. Ms. Fisher said as far as she knows all work done to date has been paid for and will verify with confirmation from the bank.

No action was taken on this item.

President Winget recommended moving on to Agenda Item 4



Rowlett

Housing Finance Corporation

4. February 2024 Financial Report:

Executive Director Urrutia said he was still getting estimates for the Board's requested audit. Director Shupp asked Executive Director Urrutia to look into what appears to be on going payments in the financial statement. President. Winget asked for an update on JPI payments as well. He said if JPI payments are coming soon we need to know that. President Winget also mentioned there was an operating loss of \$23,000 through February, and interest income of \$ 6,400.

President Winget recommended moving on to Agenda Item 6.

6. Discuss and Take Necessary Action on Contract with Ryan Bowen (Chapman and Cutler) and Cost of Retainer for Services:

President Winget said there was a Memo of Understanding in the meeting pocket describing a proposed contract for legal services with Ryan Bowen (Chapman and Cutler). After a brief discussion on the terms of the contract, Director Holston made a motion to accept the MOU Contract with an amendment stating the term of the Contract is at the discretion of the HFC Board/termination without cause. Director Schupp seconded the motion, and the motion passed unanimously.

President Winget recommended moving on to Agenda Item 7.

7. Update/Discuss Recommendation from Ryan Bowen on Any Necessary Action to Dissolve Vista North Shore Entities:

Executive Director Urrutia said the recommendation from Ryan Bowen was to move forward with dissolving these entities. President Winget asked if there was a cost for this action. Ms. Jensen said their estimate was \$1,500 or less per entity. Director Dunnican made a motion to



Rowlett

Housing Finance Corporation

approve Chapman and Cutler going forward with dissolving the Vista North Shore Entities. Director Holston seconded the motion, and the motion passed unanimously. President Winget then asked Ms. Jensen to submit a revised Letter of Engagement with those figures, and Executive Director Urrutia said he would follow up on this request.

Adjournment:

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

Approved on April 30, 2024.



Jeff Winget 2024 President



Richard Kull 2024 Secretary