

**CITY OF DALLAS HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS MEETING (DRAFT)**

**Tuesday, May 7, 2019 at 12:00 Noon
City Hall – Hearing Room, 5ES
1500 Marilla Street, Dallas, Texas 75201**

1. Call to Order

Vice President Nolen called the meeting to order for the City of Dallas Housing Finance Corporation (DHFC) at 12:09 pm. on Tuesday, May 7, 2019 in 5ES, Hearing Room, 1500 Marilla Street, Dallas, Texas 75201.

2. Roll Call

Avis F. Chaisson, Assistant General Manager called roll to verify quorum.

Present:

Clint V. Nolen, Vice President	Ryan Garcia, Director
Trent Hughes, Director	Jim Harp, Director
Marcy Helfand, Secretary	Juan J. Garcia, Director
James Armstrong III, Treasurer	Joe Carreon, Director

Absent:

Sherman Roberts, President, Eric Anderson, Director, Brad Nitschke, Director

3. Approval of the Minutes for the January 25, 2019 and April 9, 2019 Meetings

Vice President Nolen suggested edits to the minutes from January 25, 2019 and stated that the project proformas have not been made available.

Secretary Helfand suggested the Board should table the approval of the January minutes, because Joe Nathan Wright, DHFC General Counsel, probably has in his notes an accurate account of who made motions and who seconded the motions.

Secretary Helfand motioned to table the minutes until the next meeting. Vice President Nolen seconded the motion. Motioned approved unanimously.

For the April 9, 2019, Secretary Helfand asked Vice President Nolen if he suggested daily meetings with regard to meeting with Jubilee Corporation on rents for Gurley Place. Vice President Nolen stated that he advised annually or semiannual meetings. Secretary Helfand requested that “daily” be

removed from the minutes for April 9, 2019. Also, 95-98% revenue decrease needs to be removed from the minutes.

Vice President Nolen motioned to approve the minutes of the April 9, 2019 subject to changes. Treasurer Armstrong seconded the motion. Motion passed unanimously at 8-0-0, with Roberts, Anderson and Nitschke absent.

4. Meeting of DHFC Providence at Mockingbird, LLC to Consider Adoption of the 2019 Property Management Operational Budget and Update on Improvements for the Providence at Mockingbird Apartments Located at 1852 West Mockingbird Lane

Vice President Nolen called the meeting to order for the DHFC Providence at Mockingbird, LLC at 12:22 p.m. on Tuesday, April 9, 2019, in 5ES, Hearing Room, 1500 Marilla Street, Dallas, Texas 75201.

Pam Cornett, Compliance Manager/Regional Manager and Jesse Davila, Regional Service Director with CF Real Estate Services LLC presented the 2019 operational budget and provided a report on their quarterly financials based on the Board approved template. The Board requested that they come back with the actual cost to improve the HVAC system.

Vice President Nolen asked about the \$335,137 bid and if it was currently the only bid. Vice President Nolen asked about the second document for installation for new boilers and stated there's currently only one bid and that there are five windows that need water proofing priced under \$15,000.

Vice President Nolen asked when designs would be ready and Mr. Davila stated by Wednesday. Vice President Nolen stated subject to two additional bids from licensed contractors he is willing to approve the bid.

Treasurer Armstrong wanted to know when the other bids will be in and Mr. Davila said the AC bids will take a while, because it must be rebid. Treasurer Armstrong requested clarification on what's considered the best bid and when will the scope be sent out. Mr. Davila said the cheaper and most energy efficient bid is considered the best bid.

Director Harp asked Mr. Davila will he be comfortable with any of the contracts and why there aren't more bids in, because it has been six months. Vice President Nolen stated the design was received last Thursday.

Director Garcia wanted to know what's, the timeframe to complete the work and how long will it take to install? Mr. Davila replied ten weeks to receive the bid and one week for installation.

Director Harp asked if the \$2,000 allowance for roofing is enough to complete the installation and is it separate from everything else. Mr. Davila said it should be enough time and that it is separate.

Secretary Helfand is concerned about where the money is coming from for the reserves and why the budget for last year's operational budget was \$2 million and this year it was \$1.5 million. Ms. Cornett was unable to provide her the information detailing where the money is coming from and why the budgets are different.

Treasurer Armstrong agrees that the Board has requested financials and would like to ask questions the CPA directly. Ms. Chaisson will ask the CPA to attend a meeting to discuss the budget and answering any questions that the Board may have.

Vice President Nolen motions that contingent to them receiving two more bids in the next two weeks and all three bids coming from licensed contractors. The Board authorizes selection of the most competitive bid and can proceed forward. Subject to approval of the operational budget, and the improvements paid from the reserves budget line item.

Vice President Nolen motions to approve the HVAC, boiler work, and repair of window leaks subject to all 3 items having 3 bids from licensed contractors and that all bids meet the require scope and conditional to that they have the authority to move forward. Separate from that the operational budget will be tabled until next month. The boiler is not in the package but needs to be added and the amount that will be used is \$335,137.00 the boiler \$22,890.22 and the water proofing proposal \$14,561.35. The expectations are that all contracts will be signed for this work and the equipment would have been ordered and that process underway.

Treasurer Armstrong seconded the motion. Motion passed unanimously at 8-0-0, with Roberts, Anderson and Nitschke absent.

Vice President Nolen motioned to close the DHFC Providence at Mockingbird, LLC meeting at 12:44 p.m. Director Harp seconded the motion. Motion passed unanimously at 8-0-0, with Roberts, Anderson and Nitschke absent.

5. Consider and Adopt a Resolution Approving the Creation of Limited Liability Companies with the Corporation as the Sole Member with the Texas Secretary of State for the Estates at Shiloh a Multifamily Residential Development to be Located at 2649 Centerville Road and Palladium Redbird a Mixed Income Multifamily Residential Development on Approximately 8 acres of Land Located East of South Westmoreland Road and Red Bird Mall Ring Road

Vice President Nolen reopened the meeting of the City of Dallas Housing Finance Corporation at 12:45 pm.

Ms. Chaisson gives a summary of the agenda item along with resolutions. Vice President Nolen asked how that gives the Corporation more protection. Ms. Chaisson explained the Corporation directly, will not be the land owner, but the LLC will own the land.

Director Harp inquired who will be responsible for the legal work and Secretary Helfand wanted to know if the agreements would come back to the Board for approval. Ms. Chaisson informed the

Board they authorized Ms. Chaisson and the Director of Housing and Neighborhood Revitalization to sign any agreements to make the process more seamless and that Joe Nathan Wright, DHFC General Counsel, would draft the agreements.

Secretary Helfand requested to see where the Board agreed to allow staff to sign documents without the Board seeing them prior. Vice President Nolen also requested to see the documents for clarification.

Vice President Nolen suggested the Board receive an email with the agreements and have a small window to reply if there are changes that need to be made. The Dallas City Attorney stated that Ms. Chaisson can send out an email, but you cannot reply call. Once you start replying all it is considered a meeting and you cannot have a meeting without posting it and following the Open Meeting Act. Board members cannot have conversations with each other discussing the email. You can carbon copy Joe Nathan on the email.

Director Harp motioned that any company agreements in which the Board will be responsible for be submitted to the Board at least 5 days prior to execution. Secretary Helfand seconded the motion. Motioned approved unanimously.

Director Harp motioned to adopt a resolution approving the creation of the limited liability companies. Secretary Helfand seconded the motion. Motion passed unanimously at 8-0-0, with Roberts, Anderson and Nitschke absent.

6. Briefing on Single-Family Mortgage Revenue Bonds (GNMA and Fannie Mae Mortgage-Backed Securities Program)

Tim Nelson, Managing Member with Hilltop Securities and Barton Withrow with George K. Baum & Company gave PowerPoint presentation titled “The Basics of Single Family Housing Bonds”.

Vice President Nolen asked why do we have co-advisors? Mr. Nelson replied that City Council requires it and there’s no additional charge. Director Harp stated that mortgage rates aren’t going up anymore and wanted to know if the 6% was a one-time fee or is it for the life of the loan. Mr. Nelson stated that it’s more of a spread between tax rates and tax-exempt rates.

Secretary Helfand asked, when the deadline is? and Mr. Nelson replied a deal must be closed by December 31, 2021. Mr. Nelson informed the Board there is still work that needs to be done such as finding an investor and the lender needs to show evidence that they are going to put up half a point, but lender is no longer doing that. They will have to request a change in the rules.

Director Harp stated that we aren’t giving the money away that the funds must be paid back. Why would I do one of these loans opposed to a bank loan. Mr. Nelson stated down payment assistance for a loan from the bank isn’t possible.

Vice President Nolen stated that \$25 million can only be used for programs like this Mr. Nelson replied yes, or you can use it for a bond program or turn it into and use it for an MCC which is a mortgage credit certificate.

Treasurer Armstrong asked if homebuyers are getting 6%. Mr. Nelson replied they are looking at getting 5% and a subordinate bond at 6%

Director Harp request that this be put on the June agenda and ask is there anything that is needed. Mr. Nelson responded no this was just a briefing to provide an update on developing the program.

7. Briefing on Quarterly Operational Budget Report for Park at Cliff Creek Apartments Located at 7300 Marvin D. Love Parkway

Vice President Nolen made a motion to delay the item to the next Board meeting. Treasurer Armstrong seconded the motion. Motion passed unanimously at 8-0-0, with Roberts, Anderson and Nitschke absent.

8. Written Reports

There were no written reports for review and discussion.

9. Public Comments

The floor was available for public comments. There were no comments received.

10. Future Agenda Items

- a. Briefing on Quarterly Operational Budget Report for Martha's Vineyard Place – **June 2019**
- b. Opportunities for the Corporation to Acquire Housing Tax Credit Properties Ending Their Initial 15-Year Compliance Period – **June 2019**
- c. Presentation by the City Attorney's Office on Robert's Rules of Order and Open Meetings Act – **TBD**

11. Adjourn

With no further discussion Secretary Helfand made a motion to adjourn the meeting of the City of Dallas Housing Finance Corporation at 1:49 p.m. on Tuesday, May 7, 2019 and motion was seconded by Director Harp. Motion passed unanimously at 8-0-0, with Roberts, Anderson and Nitschke absent.

These minutes were approved by the City of Dallas Housing Finance Corporation Board of Directors on the 11th day of June 2019

APPROVE:

ATTEST:

Sherman Roberts
President

Marcy Helfand
Secretary

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

- 1) Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meeting Act.
 - 2) The purchase, exchange, lease or value of real property, if the deliberation in any open meeting would have a detrimental effect on the position of the city in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
 - 3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
 - 4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
 - 5) The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
 - 6) Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meetings Act.
 - 7) Deliberations of security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. Section 551.089 of the Texas Open Meetings Act.
- HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES**

“Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.”

“De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta.”

“Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.”

“De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.”

