Minutes

Texas Bond Review Board

Board Meeting

Thursday, May 20, 2021, 10:00 a.m.

Room 402 Clements Building

And Videoconference Meeting

300 W. 15th Street

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a Board Meeting at 10:00 a.m., Thursday, May 20, 2021 in Room 402 of the Clements Building and via videoconference as authorized under Texas Government Code section 551.127. Present were Brady Franks, Chair and Alternate for Governor Greg Abbott; Bryan Mathew, Alternate for Lieutenant Governor Dan Patrick; and Melissa Popkoff, Alternate for Comptroller Glenn Hegar. Also, in attendance were Leslie Brock and Dennis McKinney with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Brady Franks, as Chair, called the meeting to order at 10:00 a.m. A quorum was present. He announced that due to Governor Greg Abbott’s March 13, 2020 proclamation of a state of disaster affecting all counties in Texas due to the Coronavirus (COVID-19) and the Governor’s March 16, 2020 suspension of certain provisions of the Texas Open Meetings Act, this meeting will be held by video webinar, as authorized under Texas Government Code section 551.127.

1. **Approval of Minutes**

UPON MOTION BY BRYAN MATHEW AND SECOND BY melissa popkoff, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE MARCH 9, 2021 planning session, MARCH 18, 2021 BOARD MEETING, APRIL 5, 2021 PLANNING SESSION, AND APRIL 15, 2021 called board meeting.

1. **Public Comment**

There was no public comment.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Pine Terrace Apartments Project) Series 2021**

Representative present was David Danenfelzer, Senior Director, TSAHC.

UPON MOTION BY BRYAN MATHEW AND SECOND BY MELISSA POPKOFF, THE TEXAS BOND REVIEW BOARD APPROVED the Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Pine Terrace Apartments Project) Series 2021 in a maximum par amount and a maximum total proceeds amount of $3,300,000 including premiums, if any, as outlined in the application dated April 16, 2021 and supplements through May 6, 2021.

1. **EXEMPT – Texas Public Finance Authority Texas Southern University Revenue Financing System Refunding Bonds Series 2021**

This transaction was submitted on the BRB EXEMPT track, and the 6-day review period expired on Tuesday, May 18, 2021.

1. **EXEMPT – Texas Department of Housing and Community Affairs Governmental Lender Note (Caroline Lofts) Series 2021**

Representative present was Teresa Morales, Director of Multifamily Bonds, TDHCA.

This transaction was submitted on the BRB EXEMPT track, and the 6-day review period will expire on Friday, May 21, 2021.

The Department has submitted an application to issue its Governmental Lender Note (Caroline Lofts) Series 2021 (the Note) in a maximum par amount and a maximum total proceeds amount not to exceed $20,000,000 including premiums, if any.

The proceeds of the Note will be used for the development of Caroline Lofts, a 119-unit, new construction residential rental property located in Houston, Texas.

The Note will be issued pursuant to Chapter 2306 of the Texas Government Code.

The TDHCA Board approved the final resolution for the issuance of the Note at its May 13, 2021 Board meeting.

The Private Activity Bond (PAB) certificate of reservation was issued to TDHCA on January 11, 2021 in the amount of $20,000,000 and expires on July 10, 2021.

The tax-exempt Series 2021 Note is anticipated to be initially privately placed with Amegy Bank, who will be serving as the construction lender. The Note will be unrated, fixed-rate, self-supporting, revenue debt with an average life of 10.279 years, a 18-year term, and 35-year amortization with a final maturity and balloon payment due on May 1, 2054.

TDHCA is acting as a conduit issuer for this transaction, and as such, the Note does not constitute an obligation, debt or liability of the state of Texas, or a pledge or loan of faith, credit or taxing power of the state of Texas. The Note is a special limited obligation payable from revenues earned from the mortgage loan and earnings derived from amounts on deposit in an investment agreement.

The total cost of issuance is expected to be $676,355 or $33.82 per $1,000 bonds.

The Department has received two letters of support for the proposed development: one from Houston City Council Member for District D, Dr. Carolyn Evans-Shabazz, and the other from State Representative for District 147, Garnet F. Coleman. The Department has received no letters of opposition for the proposed development.

1. **EXEMPT – Texas Department of Housing and Community Affairs Governmental Lender Notes (The Citadel Apartments) Series 2021A and Series 2021B**

Representative present was Teresa Morales, Director of Multifamily Bonds, TDHCA.

This transaction was submitted on the BRB EXEMPT track, and the 6-day review period will expire on Friday, May 21, 2021.

The Department has submitted an application to issue its Governmental Lender Notes (The Citadel Apartments) Series 2021A and Series 2021B (the Notes) in a maximum par amount and a maximum total proceeds amount not to exceed $15,000,000 including premiums, if any.

Proceeds of the Notes will be used for the development of The Citadel Apartments, a new construction affordable senior residential rental property located in Houston.

The Notes will be issued pursuant to Chapter 2306 of the Texas Government Code.

The TDHCA Board approved the final resolution for the issuance of the Notes at its May 13, 2021 Board meeting.

The Private Activity Bond (PAB) certificate of reservation was issued to TDHCA on January 11, 2021 in the amount of $15,000,000 and expires on July 10, 2021.

The Department will issue $15,000,000 of unrated, tax-exempt, self-supporting fixed-rate multifamily revenue notes with an average life of 8.709 years that is anticipated to be a private placement.

TDHCA is acting as a conduit issuer for this transaction, and as such, the Notes do not constitute an obligation, debt or liability of the state of Texas, or a pledge or loan of faith, credit or taxing power of the state of Texas. The Notes are a special limited obligation payable from revenues earned from the mortgage loan and earnings derived from amounts on deposit in an investment agreement.

The Department has received one letter of support for the proposed development, from Houston Chief of Police, Art Acevedo. The Department has received no letters of opposition for the proposed development.

1. **Date for Next Board Meeting**

A planning session will be scheduled for Tuesday, July 13, 2021, and a board meeting will be scheduled for Thursday, July 22, 2021.

1. **Report from the Executive Director**
   * BRB staff continues to monitor the progress of certain bills introduced by the 87th Legislature that would directly impact the state’s Constitutional Debt Limit (CDL). So far only HJR 5 has been voted on by the originating chamber. This bill, if approved by the legislature and majority of the voters, would authorize the issuance of general obligation bonds in an amount not to exceed $3 billion to fund brain research. Using fiscal year 2020 assumptions, this authorization would increase the CDL by approximately 0.47% to a total of approximately 3.14%.
   * SB 1984, related to PAB carryforward administration, was heard in house committee on May 19, 2021.
   * HB 3614, adding reporting requirements of the BRB, has been referred to the Senate Finance Committee.
2. **Adjourn**

There being no further business, the Board Meetingwas adjourned at 10:11 a.m.