Minutes

Texas Bond Review Board

Board Meeting

Thursday, July 20, 2023, 10:00 a.m.

Capitol Extension, Room E2.028

And Videoconference Meeting

1100 Congress Ave.

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a Board Meeting at 10:00 a.m., Thursday, July 20, 2023, in Room E2.028 of the Capitol Extension and via videoconference as authorized under Texas Government Code section 551.127. Present were Sarah Hicks, Chair and Alternate for Governor Greg Abbott; Bryan Mathew, Alternate for Lieutenant Governor Dan Patrick; and Piper Montemayor, Alternate for Comptroller Glenn Hegar. Also, in attendance were Leslie Brock and Kimberly Fuchs with the Office of the Attorney General, Bond Finance Office staff members, and others.

1. **Call to Order**

Sarah Hicks, as Chair, called the meeting to order at 10:01 a.m. She announced that this meeting will be held by videoconference call pursuant to Texas Government Code section 551.127. This meeting may include participation from one or more Bond Review Board members by remote videoconference. In accordance with the Texas Open Meetings Act, Bond Review Board members participating by videoconference shall be considered as being present for all purposes in the meeting. A quorum was present.

1. **Approval of Minutes**

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY BRYAN MATHEW, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FROM THE MAY 31, 2023, planning session and JUNE 8, 2023, CALLED BOARD MEETING.

1. **Public Comment**

There was no public comment.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (The Crossing at Clear Creek) Series 2023**

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

UPON MOTION BY BRYAN MATHEW AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (The Crossing at Clear Creek) Series 2023 with a maximum par amount and a maximum total proceeds amount not to exceed $45,000,000 including premiums, if any, as outlined in the application dated June 23, 2023, and supplements through July 10, 2023.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (The Terrace at Highland Hills) Series 2023**

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

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY BRYAN MATHEW, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (The Terrace at Highland Hills) Series 2023 with a maximum par amount and a maximum total proceeds amount not to exceed $50,000,000 including premiums, if any, as outlined in the application dated June 23, 2023, and supplements through July 10, 2023.

1. **Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes (Cancer Prevention and Research Institute of Texas Project) Series A (Taxable) and Series B (Tax-Exempt) for the issuance of commercial paper during fiscal year 2024**

Representatives present were Lee Deviney, Executive Director, TPFA; John Hernandez, Deputy Director, TPFA; Kevin Van Oort, General Counsel, TPFA; Matthew Berry, Financial Analyst, TPFA; Wayne Roberts, Executive Director, CPRIT; Heidi McConnel, CFO, CPRIT; and Kristen Doyle, General Counsel, CPRIT.

UPON MOTION BY BRYAN MATHEW AND SECOND BY SARAH HICKS, AND A NO VOTE BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the issuance of commercial paper notes during fiscal year 2024 for the Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes (Cancer Prevention and Research Institute of Texas Project) Series A (Taxable) and Series B (Tax-Exempt) in a maximum amount of $300,000,000 for authorized program costs, including the costs of issuance and related administrative costs, if any, as outlined in the application dated June 23, 2023, and supplements through July 7, 2023.

1. **Texas Public Finance Authority Revenue Commercial Paper Program (Texas Facilities Commission Projects) Series 2016A (Taxable) and Series 2016B (Tax-Exempt) for the issuance of commercial paper during fiscal year 2024**

Representatives present were Lee Deviney, Executive Director, TPFA; John Hernandez, Deputy Director, TPFA; Kevin Van Oort, General Counsel, TPFA; Matthew Berry, Financial Analyst, TPFA; and Thomas Brown, Budget Director, TFC.

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY BRYAN MATHEW, THE TEXAS BOND REVIEW BOARD APPROVED the issuance of commercial paper notes during fiscal year 2024 for the Texas Public Finance Authority Revenue Commercial Paper Program (Texas Facilities Commission Projects) Series 2016A (Taxable) and 2016B (Tax-Exempt) to finance authorized project costs for Phase I and Phase II of the Capitol Complex and North Austin Campus projects, as needed, with an aggregate amount outstanding at any one time not to exceed $200,000,000, including the costs of issuance and related administrative costs, if any, as outlined in the application dated June 23, 2023, and supplements through July 19, 2023.

1. **Texas Public Finance Authority Health and Human Services Deferred Maintenance Project and Department of Motor Vehicles Camp Hubbard Renewal Project financed by the Texas Public Finance Authority Commercial Paper Revenue Notes Series 2019A and Series 2019B (Taxable) for the issuance of commercial paper during fiscal year 2024**

Representatives present were Lee Deviney, Executive Director, TPFA; John Hernandez, Deputy Director, TPFA; Kevin Van Oort, General Counsel, TPFA; Matthew Berry, Financial Analyst, TPFA; Gary Hamilton, Budget Director, HHSC; David Umscheid, Deputy Director, HHSC; and Glenna Bowman, CFO, DMV.

UPON MOTION BY BRYAN MATHEW AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the issuance of commercial paper notes during fiscal year 2024 for the Texas Public Finance Authority Commercial Paper Revenue Notes Series 2019A and Series 2019B (Taxable) to finance the Health and Human Services Commission deferred maintenance projects authorized by the 86th Legislature and 87th Legislature and the Department of Motor Vehicles Camp Hubbard renewal project authorized by the 88th Legislature, as needed, with an aggregate amount outstanding at any one time not to exceed $200,000,000 including the costs of issuance and related administrative costs, if any, as outlined in the application dated June 23, 2023, and supplements through July 7, 2023.

1. **Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds Taxable Series 2023 (and such other series or subseries as may be designated)**

Representatives present were Lee Deviney, Executive Director, TPFA; John Hernandez, Deputy Director, TPFA; Kevin Van Oort, General Counsel, TPFA; Matthew Berry, Financial Analyst, TPFA; Wayne Roberts, Executive Director, CPRIT; Heidi McConnel, CFO, CPRIT; and Kristen Doyle, General Counsel, CPRIT.

UPON motion by PIPER MONTEMAYOR with BRYAN MATHEW and sarah hicks in favor of the motion, AND A NO VOTE BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds Taxable Series 2023 (and such other series or subseries as may be designated) with a maximum par amount not to exceed $366,300,000 and a maximum total proceeds amount not to exceed $370,659,779.55 including premiums, if any, as outlined in the application dated June 23, 2023, and supplements through July 20, 2023.

1. **Texas Private Activity Bond Surface Transportation Corporation Senior Lien Revenue Bonds (NTE Mobility Partners LLC North Tarrant Express Project) Series 2023 Senior Bonds (in one or more series)**

Representatives present were Jennifer Wright, Project Finance & Debt Director, TxDOT; Jessica Kohlrenken, Associate General Counsel, TxDOT; Paul Jack, Financial Advisor, Estrada Hinojosa; and Hasan Mack, Bond Counsel, McCall Parkhurst & Horton.

UPON MOTION BY BRYAN MATHEW AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Private Activity Bond Surface Transportation Corporation Senior Lien Revenue Bonds (NTE Mobility Partners LLC North Tarrant Express Project) Series 2023 (in one or more series) in a maximum par amount and a maximum total proceeds amount not to exceed $500,000,000 including premiums, if any, as outlined in the application dated May 16, 2023, and supplements through June 7, 2023.

1. **Discussion and possible action regarding changes to Title 34 Texas Administrative Code, Part 9, Chapter 181 Bond Review Board Rules, including publication of §181.11 as a new rule to 34 TAC in the Texas Register for public comment**

The BRB is proposing a new administrative code rule based on the passage of House Bill 1038 by the 88th Legislature.

This new rule aims to grant the Board the authority to gather relevant information from state agencies or political subdivisions to enable the Board to prepare a biennial report on state lending and credit support programs due by December 31st of each even-numbered year.

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY bRYAN mATHEW, THE TEXAS BOND REVIEW BOARD APPROVED the publication of Title 34 Texas Administrative Code, Part 9, Chapter Part 181, Section 181.11, as a proposed new rule for public comment in the Texas Register, and directed staff to finalize the preamble consistent with the requirements of the Administrative Procedure Act.

1. **Discussion and possible action regarding changes to Title 34 Texas Administrative Code, Part 9, Chapter 190 Allocation of State’s Limit on Certain Private Activity Bonds, including publication of amendments to 34 TAC §§ 190.1, 190.2, 190.3, 190.4, 190.5, 190.6, and 190.8 in the Texas Register for public comment**

The BRB proposes updates and clarifications to its administrative code rules based on the passage of House Bill 1766 by the 88th Legislature.

The proposed amendments will incorporate a new first priority classification for residential rental projects that need a subsequent issuance of tax-exempt bonds to meet the IRS 50% test, and the proposed amendments will restrict the amount of allocation designated at closing to a residential rental project if the program is oversubscribed.

UPON MOTION BY BRYAN MATHEW AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the publication of proposed changes to Title 34 Texas Administrative Code, Part 9, Chapter Part 190, Sections 190.1, 190.2, 190.3, 190.4, 190.5, 190.6, and 190.8 for public comment in the Texas Register, and directed staff to finalize the preamble consistent with the requirements of the Administrative Procedure Act.

1. **EXEMPT – Texas Department of Housing and Community Affairs Multifamily Housing Revenue Notes (Aspen Park) Series 2023**

The 6-day review period for this application expired on Friday, July 14, 2023, and the application was approved.

1. **EXEMPT – Grand Parkway Transportation Corporation Grand Parkway System Subordinate Tier Toll Revenue Refunding Put Bonds Series 2023 (TELA Supported)**

The 6-day review period for this application expired on Monday, July 17, 2023, and the application was approved.

1. **Date for Next Board Meeting**

A planning session will be scheduled for Tuesday, September 12th and a Board meeting will be scheduled for Thursday, September 21st. Room E2.028 of the capitol extension is reserved for the meetings.

1. **Report from the Executive Director**
   * So far for fiscal year 2023, the BRB has received approximately 1,262 local debt issuances for processing. This is a decrease from the number received this time last year.
   * Staff is invited to speak about the Private Activity Bond Program at the 2023 Texas Housing Conference hosted by the Texas Affiliation of Affordable Housing Providers July 24th – 26th in Austin, Texas.
   * Staff will send out our Debt Issuer Report letters to all state debt issuers in mid-August. The due date for the report will be September 15, 2023. When received, staff will begin to reconcile the state debt information for the period ending August 31, 2023.
   * Myles Cheatum is a new staff member with our agency. His first day was yesterday.
2. **Adjourn**

There being no further business, the Board Meetingwas adjourned at 10:36 a.m.