Minutes

Texas Bond Review Board

Board Meeting

Thursday, July 21, 2022, 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 21, 2022, in Capitol Extension Room E2.028 and via videoconference as authorized under Texas Government Code section 551.127. Present were Brady Franks, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama, 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**

Brady Franks, as Chair, called the meeting to order at 10:01 a.m. A quorum was present. He announced that this meeting will be held by videoconference call pursuant to Texas Government Code section 551.127. This meeting will 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.

1. **Approval of Minutes**

UPON MOTION BY Joaquin guadarrama AND SECOND BY Piper Montemayor, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE mAy 10, 2022, planning session, mAY 19, 2022, Board Meeting, and june 28, 2022, planning session.

1. **Public Comment**

There was no public comment.

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 2023**

Representatives present were Lee Deviney, Executive Director, TPFA; Matt Berry, Financial Analyst, TPFA; Kelly Tappendorf, Financial Analyst, TPFA; and Wayne Roberts, Chief Executive Officer, CPRIT.

UPON MOTION BY Joaquin Guadarrama AND SECOND BY BRADY FRANKS, AND A NO VOTE BY Piper Montemayor, THE TEXAS BOND REVIEW BOARD APPROVED the issuance of commercial paper notes during fiscal year 2023 for the Texas Public Finance Authority State of Texas General Obligation Commercial Paper Program (Cancer Prevention and Research Institute of Texas), 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 27, 2022 and supplements through July 11, 2022.

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 2023**

Representatives present were Lee Deviney, Executive Director, TPFA; Matt Berry, Financial Analyst, TPFA; Kelly Tappendorf, Financial Analyst, TPFA; Diane Jackson, Chief Financial Officer, TFC; and Jay Franklin, Project Manager, TFC.

UPON MOTION BY Piper Montemayor and second by joaquin guadarrama, THE TEXAS BOND REVIEW BOARD APPROVED the issuance of commercial paper notes during fiscal year 2023 for the Texas Public Finance Authority State of Texas 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 27, 2022 and supplements through July 15, 2022.

1. **Texas Public Finance Authority Health and Human Services Deferred Maintenance 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 2023**

Representatives present were Lee Deviney, Executive Director, TPFA; Matt Berry, Financial Analyst, TPFA; Kelly Tappendorf, Financial Analyst, TPFA; Gary Hamilton, Deputy Budget Director, HHSC; and David M. Umcheid, Deputy Director, Business Operations, HHSC.

UPON MOTION BY joaquin guadarrama and second by piper montemayor, THE TEXAS BOND REVIEW BOARD APPROVED the issuance of commercial paper notes during fiscal year 2023 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, 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 27, 2022 and supplements through July 8, 2022.

1. **Title 34 Texas Administrative Code, Part 9, Chapter 190 Allocation of State’s Limit on Certain Private Activity Bonds, §§ 190.1, 190.2, 190.4, and 190.8**

BRB staff proposes updates and clarifications to its administrative code rules in Texas Administrative Code Chapter 190 relating to the BRB’s administration of the state’s Private Activity Bond (PAB) program to provide applicants with further clarification on the appropriate dataset that shall be used to determine residential rental priority, include guidance on the additional application requirements for an application for carryforward designation, provide official guidance on the timeframe in which a fee must be received relative to the corresponding filing submission and deadline, and correct or eliminate any outdated language.

The proposed rule changes were published in the June 3, 2022, publication of the Texas Register, and the public comment period extended through midnight on Sunday, July 3, 2022. Comments received by BRB staff have been incorporated into the final adoption packet sent to the Board.

UPON MOTION BY piper montemayor and second by joaquin guadarrama, THE TEXAS BOND REVIEW BOARD adopted the proposed changes to Title 34 Texas Administrative Code, Part 9, Chapter Part 190, Sections 190.1, 190.2, 190.4, and 190.8.

1. **EXEMPT – Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds Series 2022B (Social Bonds)**

This transaction was approved on the BRB exempt track on Wednesday, July 20, 2022.

1. **Date for Next Board Meeting**

A planning session will be scheduled for Tuesday, September 13, 2022, and a board meeting will be scheduled for Thursday, September 22, 2022, in Room E2.028 of the Capitol Extension.

1. **Report from the Executive Director**
	* So far for fiscal year 2022, the BRB has received approximately 1,576 local debt issuances for processing. This is a 13% decrease (243 transactions) from the amount of local debt issuances received during fiscal year 2021. Fiscal year 2021 was a record year for the number of transactions received for processing.
	* So far, PAB fees collected for the 2022 program year total more than $1.7 million. Last year was the greatest amount remitted to the state at just under $2.0 million.
	* Staff is invited to speak about the Private Activity Bond Program at the 2022 Texas Housing Conference hosted by the Texas Affiliation of Affordable Housing Providers July 25th – 27th in Austin, Texas.
	* Staff is working to complete the 2024-25 Legislative Appropriations Request. All information will be sent to the LBB and Governor’s office by Friday, July 29, 2022.
	* All data for the 2024-25 fiscal biennium Capital Expenditure Plan was due on July 1st. Staff is analyzing the data and making charts and graphs for the report. The CEP will be posted to the BRB website by September 1, 2022.
	* Staff is working to modernize and reorganize the agency’s website. We are working with a web developer from Dynamic Computing Services Corp. (DCS) to manage this project. The new website will be available prior to the end of the fiscal year.
	* Merit Dowling, financial analyst, with the Texas Bond Review Board will be leaving our agency to retire on Friday, July 22, 2022.
2. **Adjourn**

There being no further business, the Board Meetingwas adjourned at 10:21 a.m.