Minutes

Texas Bond Review Board

Called Board Meeting

Thursday, June 8, 2023, 10:00 a.m.

Room 404 Clements Building

And Videoconference Meeting

300 W. 15th Street

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a Called Board Meeting at 10:00 a.m., Thursday, June 8, 2023, in Room 404 of the Clements Building and via videoconference as authorized under Texas Government Code section 551.127. Present were Austin Holder, 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 Glen Imes with the Office of the Attorney General, Bond Finance Office staff members, and others.

1. **Call to Order**

Austin Holder, as Chair, called the meeting to order at 10:01 a.m. He 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 Joaquin guadarrama, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE MARCH 14, 2023, planning session and MARCH 23, 2023, BOARD MEETING.

1. **Public Comment**

There was no public comment.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (The Rhett) Series 2023**

Representatives present were Liz Cline-Rew, Multifamily Bond Program Specialist, TDHCA; Jon Galvan, 4% Housing Tax Credit Program Manager, TDHCA; and Andrew Prihoda, Associate, Bracewell LLP.

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY jOAQUIN gUADARRAMA, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (The Rhett) Series 2023 in a maximum par amount and a maximum total proceeds amount not to exceed $30,750,000 including premiums, if any, as outlined in the application dated May 12, 2023, and supplements through June 6, 2023.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Palladium McKinney) Series 2023**

Representatives present were Liz Cline-Rew, Multifamily Bond Program Specialist, TDHCA; Jon Galvan, 4% Housing Tax Credit Program Manager, TDHCA; and Andrew Prihoda, Associate, Bracewell LLP.

UPON MOTION BY jOAQUIN gUADARRAMA AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Palladium McKinney) Series 2023 in a maximum par amount and a maximum total proceeds amount not to exceed $23,800,000 including premiums, if any, as outlined in the application dated May 12, 2023, and supplements through June 1, 2023.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (North Grand Villas) Series 2023**

Representatives present were Liz Cline-Rew, Multifamily Bond Program Specialist, TDHCA; Jon Galvan, 4% Housing Tax Credit Program Manager, TDHCA; and Andrew Prihoda, Associate, Bracewell LLP.

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY jOAQUIN gUADARRAMA, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (North Grand Villas) Series 2023 in a maximum par amount and a maximum total proceeds amount not to exceed $12,500,000 including premiums, if any, as outlined in the application dated May 11, 2023, and supplements through May 31, 2023.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (Worthington Point Apartments) Series 2023**

Representatives present were Liz Cline-Rew, Multifamily Bond Program Specialist, TDHCA; Jon Galvan, 4% Housing Tax Credit Program Manager, TDHCA; and Andrew Prihoda, Associate, Bracewell LLP.

UPON MOTION BY jOAQUIN gUADARRAMA AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (Worthington Point Apartments) Series 2023 in a maximum par amount and a maximum total proceeds amount not to exceed $30,860,000 including premiums, if any, as outlined in the application dated May 8, 2023, and supplements through June 6, 2023.

1. **Texas Public Finance Authority Texas Southern University Revenue Financing System Bonds Series 2023**

Representatives present were Lee Deviney, Executive Director, TPFA; John Hernandez, Deputy Director, TPFA; Kelly Tappendorf, Financial Analyst, TPFA; Devi Bala, VP for Business and Finance and Chief Financial Officer, TSU; Dr. Dakota Doman, Chief of Staff, TSU; and Chris Allen, Managing Director, RBC Capital Markets.

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY jOAQUIN gUADARRAMA, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Public Finance Authority Texas Southern University Revenue Financing System Bonds Series 2023 in a maximum par amount not to exceed $81,950,000 and a maximum total proceeds amount not to exceed $87,593,935.95 including premiums, if any, as outlined in the application dated May 16, 2023, and supplements through June 7, 2023.

1. **Texas Water Development Board State of Texas General Obligation Bonds Water Financial Assistance Bonds Series 2023A, Water Financial Assistance Refunding Bonds Series 2023B, Water Financial Assistance Bonds Series 2023C (Economically Distressed Areas Program), and Water Financial Assistance Taxable Bonds Series 2023D (Economically Distressed Areas Program)**

Representatives present were Georgia Sanchez, Director of Debt and Portfolio Management/Development Fund Manager, TWDB; Alexis Lorick, Assistant General Counsel, TWDB; and Anne Berger Entrekin, Hilltop Securities.

UPON MOTION BY jOAQUIN gUADARRAMA AND SECOND BY PIPER MONTEMAYOR, THE TEXAS BOND REVIEW BOARD APPROVED the Texas Water Development Board State of Texas General Obligation Water Financial Assistance Bonds Series 2023A, Water Financial Assistance Refunding Bonds Series 2023B, Water Financial Assistance Bonds Series 2023C (Economically Distressed Areas Program), and Water Financial Assistance Taxable Bonds Series 2023D (Economically Distressed Areas Program) with an aggregate maximum par amount not to exceed $161,450,000 and a maximum total proceeds amount not to exceed $163,637,764.63 including premiums, if any, as outlined in the application dated April 25, 2023, and supplements through June 1, 2023.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Juniper Creek Apartments Project) Series 2023**

Representative present was David Danenfelzer, Senior Director of Development Finance, TSAHC.

UPON MOTION BY PIPER MONTEMAYOR AND SECOND BY jOAQUIN gUADARRAMA, THE TEXAS BOND REVIEW BOARD APPROVED the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Juniper Creek Apartments Project) Series 2023 in a maximum par amount and a maximum total proceeds amount not to exceed $26,000,000 including premiums, if any, as outlined in the application dated May 8, 2023, and supplements through June 2, 2023.

1. **EXEMPT – Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Eden Court Apartments Project) Series 2023**

The 6-day review period for this transaction expired on Friday, June 2, 2023.

1. **EXEMPT – 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; Tania Askins, Financial Advisor to Issuer, Estrada Hinojosa; and Carol Polumbo, Bond Counsel, McCall Parkhurst & Horton.

This transaction was submitted on the BRB EXEMPT track. The 6-day review period for this transaction is scheduled to expire on Friday, June 9, 2023. BRB staff recommends exempt approval.

Cintra remains the managing general partner. Per TXDOT staff, the contingency has been built on the assumption of (i) potential higher costs for the Project, and (ii) to allow the possibility to fund PABs interest during the construction phase of the Project (this is still under internal analysis and was not included in the scenarios).

It was confirmed that the State Highway Fund will not be used. Also Proposition 1 and Proposition 7 funds will not be used for this financing.

On May 15, 2023, PABSTC approved a resolution authorizing the issuance of the Series 2023 bonds.

Bonds will be sold through a negotiated sale as revenue, self-supporting, tax-exempt or taxable, fixed-rate (Series 2023A) or variable-rate (Series 2023B) securities. Per TXDOT staff, no capital appreciation bonds (CABs) are being contemplated as part of the Series 2023 transaction.

The bonds will be issued by PABSTC as a conduit issuer without recourse to TTC, TXDOT, PABSTC, or the state of Texas and shall be payable by the Developer on behalf of PABSTC from toll revenues of the system.

The estimated total cost per bond is $7,332,000 or $14.66 per $1,000 bond.

Jennifer Wright addressed the Board and answered questions.

1. **Date for Next Board Meeting**

A planning session is scheduled for Tuesday, July 11th and a Board meeting is scheduled for Thursday, July 20th. Staff plans to reserve a room in the capitol extension for these two meetings.

1. **Report from the Executive Director**
   * House Bill 2071 limited public facility corporations with respect to multi-family developments. BRB staff has a list of projects that are waiting for a PAB reservation that might be affected by the bill.
   * We had a soft opening of our new agency website. We are still working through the bugs. Let staff know if you notice any bugs.
   * Yesterday staff received an exempt application for the Veterans Land Board Taxable Series 2023A bonds. Staff will forward the application to the Board for the 6-day review period, when it is complete.
2. **Adjourn**

There being no further business, the Called Board Meetingwas adjourned at 10:28 a.m.