Minutes

Texas Bond Review Board

Planning Session

Tuesday September 11, 2012, 10:00 a.m.

Capitol Extension, Room E2.010

1400 N. Congress Ave.

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a planning session at 10:00 a.m., Tuesday September 11, 2012 in the Capitol Extension, Room E2.010 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Kenneth Besserman, Alternate for Comptroller Susan Combs; David Duran, Alternate for Lieutenant Governor David Dewhurst; and Andrew Blifford, Alternate for Speaker Joe Straus. Also in attendance were Stephanie Leibe with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Bob Kline, Executive Director, called the meeting to order at 10:03 a.m. He announced that this was a planning meeting of Board staff to receive and discuss information relative to the applications before the Board. No votes would be taken. A quorum was present**.**

1. **Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Providence Mockingbird Apartments) Series 2005**

Representatives present were: Cameron Dorsey, Director of Multifamily Finance, TDHCA; Teresa Morales, Manager, Multifamily Finance, TDHCA; Elizabeth Bowes, Bond Counsel, Bracewell & Giulianni; Barton Withrow, Financial Advisor, George K. Baum; Gary Machak, Financial Advisor, George K. Baum; Elena Monterro, Vice President of Special Asset Management, Centerline Capital; and Megan Goodfellow, Director of Special Asset Management, Centerline Capital.

TDHCA has submitted an application to restructure its Multifamily Housing Mortgage Revenue Bonds (Providence at Mockingbird) Series 2005 in a maximum par and total proceeds amount of $11,000,000 including premiums, if any. As part of the restructuring Centerline as the loan servicer and Hines 68 GP, LLC as the current general partner will make cash contributions to reduce the debt by approximately $2.90 million. Of the $14,360,000 of the Series 2005 bonds originally issued, approximately $11,000,000 will remain outstanding. The proceeds of the bonds will be used to restructure debt previously issued for Providence at Mockingbird. The Development will be eligible for a real estate tax exemption of 100%.

TDHCA and the Office of the Attorney General (OAG) have determined that the modifications are sufficiently material to constitute a reissuance under state law that requires approval by TDHCA, BRB and OAG.

1. **Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds**

Representatives present were: James Bass, CFO, TxDOT; Benjamin Asher, Innovative Financing/Debt Management Officer, TxDOT; Carol Polumbo, Bond Counsel, McCall Parkhurst & Horton.

This transaction has been withdrawn, but James Bass gave the Board a brief overview of the transaction which is expected to be discussed by the Board in a planning session scheduled for September 20, 2012.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Dalcor Pineclub Apartment Project), Series 2012**

Representatives present were: David Danenfelzer, Manager of Development Finance, TSAHC; David Long, President, TSAHC; Liz Bayless, Executive Vice President, TSAHC; Paul A. Braden, Issuer Counsel, Fulbright and Jaworski; Robert D. (Bob) Dransfield, Bond Counsel, Fulbright and Jaworski; M. Dale Dodson, Ron Murff, and Kathi Yeager from Dalcor Companies; and John B. Rucker, III, Placement Agent, Merchant Capital.

The subject transactions involve the acquisition and rehabilitation by Dalcor Affordable Housing (Dalcor) of six properties containing a total of 1,444 units located throughout the state. The properties will be held by six separate entities and will not be cross-collateralized. The units will be available to households earning 60% or less of area median family income.

TSAHC is seeking approval for the issuance of its six series TSAHC Multifamily Mortgage Revenue Bonds in maximum par and total proceeds amount, including premiums totaling $71,000,000.

None of the six properties in the transaction is seeking a property tax exemption.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Dalcor Ridgewood Apartment Project), Series 2012**

See item IV above.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Dalcor Saddlewood Apartment Project), Series 2012**

See item IV above.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Dalcor Tealwood Place Apartment Project), Series 2012**

See item IV above.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Dalcor Willow Green Apartments Project), Series 2012**

See item IV above.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Dalcor Woodglen Park Apartments Project), Series 2012**

See item IV above.

1. **Public Comment**

There was no public comment.

1. **Date for Next Board Meeting**

The next scheduled Board Meeting is on Thursday September 20, 2012 in E2.026.

1. **Items for Future Agendas**

An updated list detailing future bond transactions was handed out.

1. **Report from the Executive Director**

* Staff attended the agency’s budget hearing on Tuesday, September 4, 2012.
* Staff will be providing testimony at the Pensions Investments and Financial Services Committee on September 12, 2012.
* Staff has begun working on the State Debt Annual Report.
* Mike Morrissey will be a speaker at the next Brown Bag Luncheon to be held at 11:30am on September 24, 2012.

1. **Adjourn**

There being no further business to discuss, the planning session adjourned at 11:02 a.m.