Minutes

Texas Bond Review Board

Planning Session

Tuesday, September 13, 2016, 10:00 a.m.

Capitol Extension, Room E2.026

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 13, 2016 in the Capitol Extension, Room E2.026 in Austin, Texas. Present were Steven Albright, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama, Alternate for Lieutenant Governor Dan Patrick; Andrew Blifford, Alternate for Speaker Joe Straus; and Piper Montemayor, Alternate for Comptroller Glenn Hegar. Also in attendance were Leslie Brock with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Bob Kline, as Chair, called the meeting to order at 10:02 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 Series 2016 Single Family Issuer Note**

Representatives present were: Monica Galuski, Director of Bond Finance, TDHCA; Heather Hodnett, Manager of Single Family Finance, TDHCA; Ed Morris, Senior Bond Financial Analyst, TDHCA; John Tomme, Senior Financial Analyst, TDHCA; Elizabeth Bowes, Bond Counsel, Bracewell LLP; Barton Withrow, Financial Advisor, George K. Baum & Co.

TDHCA is seeking approval to issue its Series 2016 Issuer Note in a maximum par and total proceeds amount not to exceed $10,000,000 including premiums if any.

Proceeds of the Note will be used to make and acquire second lien mortgage loans to qualifying borrowers in the Department’s RMRB Program in order to provide down payment and closing cost assistance to such borrowers.

The Bonds will be issued under Chapter 2306, Texas Government Code, as amended.

The TDHCA Board approved the transaction at its Board Meeting on September 8, 2016.

The principal of an interest on the note are limited obligations of the issuer and are payable only from revenues or funds of the issuer pledged under the loan agreement. The note is not and does not create or constitute in any way an obligation, a debt or a liability of the state of Texas, or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the state of Texas.

Monica Galuski answered questions from the Board.

1. **EXEMPT – Texas Transportation Commission State Highway Fund First Tier Revenue and Refunding Bonds (to be issued in one or more series)**

This transaction was called in for a formal review.

Representatives present were: Ben Asher, Director - Project Finance, Debt & Strategic Contracts Division, TTC; Jennifer Wright, Portfolio Project Manager, TTC; Heather Rosas, Financial Analyst, TTC; Sarah Chapa, Financial Analyst, TTC; Jim Bateman, General Counsel, TTC; Jerry Kyle, Bond Counsel, McCall, Parkhurst & Horton; Paul Jack, Financial Advisor, Estrada, Hinojosa & Co.

The Commission is seeking approval to issue State Highway Fund First Tier Revenue and Refunding Bonds, Series 2016-A and Series 2016-B (Put Bonds) in an aggregate par amount not to exceed $800,145,000 and a total maximum proceeds amount not to exceed $804,152,726 including premiums, if any.

Proceeds from the new money bonds will be used to finance state highway improvement projects and pay associated costs of issuance. Proceeds from the refunding bonds will be used to advance refund outstanding debt and pay associated costs of issuance.

The bonds are being issued pursuant to the authority granted to the Commission by Article III, Section 49-n of the Texas Constitution; Section 222.003, Texas Transportation Code, as amended; Chapter 1207 and 1371 Texas Government Code, as amended; and pursuant to the Master Resolution, adopted on March 30, 2006.

The bonds will be issued under the Amended and Restated Eighth Supplemental Resolution to the Master Resolution approved by the Commission on January 28, 2016.

The State Highway Fund bonds are designed to be self-supporting.

Ben Asher and Jennifer Wright gave an overview of the transaction and answered questions form the Board.

1. **EXEMPT – Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Pass-Through – Skyline Place Apartments) Series 2016**

This transaction was approved on the exempt track on Tuesday, September 6, 2016.

1. **EXEMPT - Texas Water Development Board State Water Implementation Revenue Fund for Texas Revenue Bonds Series 2016**

This transaction was approved on the exempt track on Monday, September 12, 2016.

1. **EXEMPT – Texas Transportation Commission Toll Revenue Converting Note (IH 35E Managed Lanes Project)**

This transaction was submitted on the exempt track. The 6-day review period ends at the close of business on Thursday, September 15, 2016.

Representatives present were: Ben Asher, Director - Project Finance, Debt & Strategic Contracts Division, TTC; Jennifer Wright, Portfolio Project Manager, TTC; Greg Salinas, Bond Counsel, McCall, Parkhurst & Horton.

There were no questions from the Board.

1. **Public Comment**

There was no public comment.

1. **Date for Next Board Meeting**

A Board Meeting is scheduled for 11:00 a.m. on Thursday, September 22, 2016 in the Capitol Extension, Room E2.026.

1. **Report from the Executive Director**

* Thedatabase upgrade project is continuing along on schedule. The agency is running both systems in tandem and proofing the data.
* Local government processing is continuing along on schedule and should be completed by October 1, 2016.
* Staff has been informed that some groups may seek to change rules under GC 1372, the governing rules for Private Activity Bonds.
* The Capital Expenditure Plan was submitted on September 1, 2016, the HUB report is due on November 15, 2016, the State Annual Report is due on December 1, 2016 and the Local Annual Report will be available before December 31, 2016.

1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:22 a.m.