Minutes

Texas Bond Review Board

Planning Session and Board Meeting

Thursday, January 19, 2023, 11:00 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 Planning Session and Board Meeting at 11:00 a.m., Thursday, January 19, 2023, in Capitol Extension Room E2.028 and via videoconference as authorized under Texas Government Code section 551.127. Present were Sarah Hicks, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama, Alternate for Lieutenant Governor Dan Patrick; Piper Montemayor, Alternate for Comptroller Glenn Hegar; and Andrew Blifford, Alternate for Speaker Dade Phelan. 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 11:05 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. Items VIII and IX are on the agenda for discussion purposes only. A quorum was present.

1. **Approval of Minutes**

UPON MOTION BY Joaquin guadarrama AND SECOND BY PIPER MONTEMayor, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE NOVEMBER 10, 2022, planning session, nOVEMBER 17, 2022, planning session and Board Meeting, AND DECEMBER 8, 2022, CALLED BOARD MEETING.

1. **Public Comment**

There was no public comment.

1. **Texas Water Development Board Request for Waiver of Texas Water Code 17.0112(a) related to the Economically Distressed Areas Program pursuant to Texas Water Code 17.0112(b)**

Representative present was Georgia Sanchez, Director, Debt and Portfolio Management, TWDB.

UPON MOTION BY jOAQUIN gUADARRAMA AND SECOND BY piper montemayor, THE TEXAS BOND REVIEW BOARD adopted a resolution granting a waiver to the Texas Water Development Board under Texas Water Code Section 17.0112(b), authorizing the Water Development Board to issue Economically Distressed Areas Program bonds in state fiscal year 2023 in an amount not to exceed $100,000,000 on the grounds that currently there is not a sufficient amount of bonds to meet program needs during this fiscal year and that the public health and safety require immediate authorization of additional bonds.

1. **Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes (Texas Agricultural Finance Authority Rural Economic Development Finance Program) Taxable Series 2023**

Representatives present were Lee Deviney, Executive Director, TPFA; Matt Berry, Financial Analyst, TPFA; and Bon Weir, Program Specialist, TAFA.

Bond Weir addressed the Board and answered questions. The BRB did not take action on this item.

1. **EXEMPT – Texas State Affordable Housing Corporation Single Family Mortgage Revenue Bonds Series 2023A (Non-AMT)**

This transaction was submitted on the BRB Exempt track and the 6-day review period expired on Friday, January 13, 2023.

1. **Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds (Winter Storm Uri) Taxable Series 2023**

Representatives present were Lee Deviney, Treasurer, TNGSFC; Kevin Van Oort, General Counsel, TPFA; Paul Jack, Financial Advisor, Estrada Hinojosa; and Jay Riskind, TPFA Board Member and TNGSFC Board Director.

Lee Deviney, Jay Riskind, and Paul Jack addressed the Board and answered questions. The BRB did not take action on this item.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Corona Del Valle) Series 2023 (Discussion Item Only)**

This item is on the agenda for discussion purposes only.

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

In April 2021, the Department submitted an application to issue its Multifamily Housing Revenue Bonds (Corona Del Valle) Series 2021 in a maximum par amount and a maximum total proceeds amount not to exceed $8,500,000 including premiums, if any. The application was approved by the BRB on April 15, 2021. Tax exempt bonds were sold for this project on July 9, 2021, in the amount of $8,500,000.

TDHCA has requested an additional issuance of bonds in the amount of $1,000,000 due to unexpected increases in construction costs and the effects of inflation in order to satisfy the requirements of Section 42(h)(4)(B) of the US Tax Code requiring tax-exempt bonds to finance at least 50% of the cost of the land and buildings to access the housing tax credits.

The total development costs have increased approximately $592,586, from $18,834,898 to $19,427,484.

Total cost of issuance is expected to be $250,625 or $250.63 per $1,000 bond.

The Department received three letters of support at the time of the original issuance.

The Private Activity Bond (PAB) certificate of reservation is expected to be issued to TDHCA on January 25, 2023, and expires on July 24, 2023.

Teresa Morales addressed the Board and answered questions.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Socorro Village) Series 2023 (Discussion Item Only)**

This item is on the agenda for discussion purposes only.

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

In March 2022, the Department submitted an application to issue its Multifamily Housing Revenue Bonds (Socorro Village) Series 2022 in a maximum par amount and a maximum total proceeds amount not to exceed $6,500,000 including premiums, if any. The application was approved by the BRB on March 17, 2022. Tax exempt bonds were sold for this project on July 15, 2022, in the amount of $6,350,000.

TDHCA has requested an additional issuance of bonds in the amount of $950,000 due to unexpected increases in construction costs and the effects of inflation in order to satisfy the requirements of Section 42(h)(4)(B) of the US Tax Code.

Teresa Morales addressed the Board and answered questions.

1. **Date for Next Board Meeting**

There is a scheduled board meeting in March. A Called Board Meeting will be scheduled during the week of February 13, 2023.

1. **Report from the Executive Director**
   * So far for fiscal year 2023, the BRB has received a decrease in the number of issuances for local debt processing.
   * Staff will be meeting with the Senate Finance Committee on January 31, 2023.
   * Staff will provide the Board members with a copy of the February 2023 Debt Affordability Study in February.
2. **Adjourn**

There being no further business, the Planning Session and Board Meetingwas adjourned at 11:54 a.m.