Minutes

Texas Bond Review Board

Board Meeting

Thursday, March 19, 2020, 10:00 a.m.

Room 402 Clements Building

300 W. 15th Street

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a board meeting at 10:00 a.m., Thursday, March 19, 2020 in the Room 402 of the Clements Building in Austin, Texas. Present were Brady Franks, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama (by videoconference), Alternate for Lieutenant Governor Dan Patrick; and Piper Montemayor (by videoconference), Alternate for Comptroller Glenn Hegar. Also, in attendance were Leslie Brock and David Gordon 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. Items IX and X were subsequently added to this agenda as emergency supplements due to the Governor’s declaration of a statewide emergency over the coronavirus (COVID-19). The BRB has included these additional emergency items to take up emergency rulemaking action that is necessitated by conditions described in the statewide emergency declaration.

1. **Approval of Minutes**

UPON MOTION BY Piper montemayor AND SECOND BY JOAQUIN GUADARRAMA, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE JANUARY 14, 2020 planning session AND THE JANUARY 23, 2020 board meeting.

1. **Public Comment**

There was no public comment.

1. **Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Ventura at Fairgrounds Apartments) Series 2020**

No representatives from the issuer were present, and no votes were taken on this item.

1. **Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds Taxable Series 2020**

Representative present was Lee Deviney, Executive Director, TPFA.

No votes were taken on this item.

1. **Texas Department of Housing and Community Affairs Multifamily Green Tax-Exempt Bonds (Green M-TEBS - Oaks on Clark) Series 2020**

No representatives from the issuer were present, and no votes were taken on this item.

1. **EXEMPT - Texas Department of Housing and Community Affairs Multifamily Note (Reserves at San Marcos) Series 2020**

There was no discussion about this agenda item.

1. **EXEMPT - Texas Water Development Board State Revolving Fund Revenue Bonds New Series 2020**

There was no discussion about this agenda item.

1. **Discussion and possible action regarding adoption of emergency rule to Title 34 Texas Administrative Code, Part 9, Chapter 181 Bond Review Board Rules to delegate state security approval authority to the executive director and impose filing requirements for issuers of state debt**

The BRB proposes a new emergency rule to Texas Administrative Code (TAC) Title 34, Part 9, Chapter 181, Subchapter A, adding §181.11. Emergency Rule for Board Approval Through the BRB Exempt Process. This emergency rule is implemented as a result of the Governor’s declaration of a statewide emergency over the coronavirus (COVID-19). BRB staff proposes that all state debt issuers requiring approval follow the exempt approval process. The purpose of the emergency rule is to reduce the need to hold a government public meeting to approve state debt, minimizing face-to-face contact and the public’s potential exposure to the coronavirus.

Joaquin Guadarrama offered an amendment to the rule and the amendment was accepted. The rule language reads as follows:

§181.11. Emergency Rule for Board Approval Through the BRB Exempt Process

Pursuant to section 1231.022(3) of the Government Code, authority to approve a state security on behalf of the board is hereby delegated to the executive director; provided, however, if any board member makes a written request pursuant to § 181.9(d) requiring an issuer to follow the formal approval process for a state security, the executive director will be divested of approval authority for such state security and the board will acquire approval authority for the state security.  All issuers of state securities requiring approval under section 1231.041(a)(1) shall file a notice of intent pursuant to § 181.2 and follow the exempt approval process required for state securities exempted under section 1231.041(a)(2). As with exempted state securities, one or more board members may make a written request pursuant to § 181.9(d) requiring the issuer to follow the formal approval process. To the extent there is any conflict between this section and any other rule in chapter 181 of the Texas Administrative Code, this section controls.

UPON MOTION BY Joaquin Guadarrama anD SECOND BY Piper montemayor, THE TEXAS BOND REVIEW BOARD approved the emergency rule changes to Title 34 Texas Administrative Code, Part 9, Chapter Part 181 for final adoption.

1. **Discussion and possible action regarding proposal for publication of new rule to Title 34 Texas Administrative Code, Part 9, Chapter 181 to delegate state security approval authority to the executive director and impose filing requirements for issuers of state debt**

BRB staff proposes updates and clarifications to its administrative code rules in Texas Administrative Code Chapter 181, adding a permanent rule to the state debt oversight process to be effective only during a time of statewide emergency. If approved, these rule updates will be drafted by staff and circulated to Board members for review.

No votes were taken on this item.

1. **Date for Next Board Meeting**

The Bond Review Board will schedule government public meetings to discuss state debt transactions as needed for the foreseeable future.

1. **Report from the Executive Director**

* So far for fiscal year 2020, we have received a total of 1,039 local government debt issues that need to be processed. This is an increase of 50% from the total number of issues received during this time last year. Staff is watching to see how the changes in the market are affecting the issuance of local government debt.
* The Private Activity Bond (PAB) Program is still ongoing. Staff has received requests asking for various forms of relief. At this time, staff does not have a consistent message to pass along to leadership regarding what the industry would like to see in the form of rule changes.
* Staff is working with the Texas Higher Education Coordinating Board to potentially move the upcoming Capital Expenditure Plan (CEP) training sessions to a webinar format. The due date for staff to complete the CEP report is September 1, 2020. If webinar trainings are workable, staff does not see a need in the foreseeable future to ask for an extension to the September 1, 2020 deadline.
* Staff is looking into options for hosting the next Texas Public Finance Seminar scheduled for April 28, 2020. A webinar format is a possibility.

1. **Adjourn**

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