Minutes

Texas Bond Review Board

Planning Session

Thursday, August 4, 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., Thursday, August 4, 2016 in the Capitol Extension, Room E2.026 in Austin, Texas. Present were Ky Ash, 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 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 Governmental Lender Note (Mercantile Apartments)**

Representatives present were: Teresa Morales, Manager of Multifamily Finance, TDHCA; Brent Stewart, Director of Real Estate Analysis, TDHCA; Elizabeth Bowes, Bond Counsel, Bracewell LLP; Robert Poswalk, Financial Advisor, George K. Baum & Co.; Debra Guerrero, NRP Group.

The Department has submitted an application to issue its Governmental Lender Note (Mercantile Apartments) (the Note) in a maximum par and total proceeds amount not to exceed $29,500,000 including premiums if any.

The proceeds of the Note will be used for the development of Mercantile Apartments, a 324-unit, new construction residential rental property located in Fort Worth.

The TDHCA Board approved the final resolution for the Note issuance at its July 28, 2016 Board meeting.

TDHCA is acting as a conduit issuer for this transaction and as such the Note does not constitute an obligation, debt or liability of the state of Texas, or a pledge or loan of faith, credit or taxing power of the state of Texas.

Teresa Morales gave an overview of the presentation and answered questions from the Board. Ky Ash requested minutes from the Fort Worth City Council Meeting that approved the Mercantile Apartments resolution.

1. **EXEMPT – Texas Department of Housing and Community Affairs Governmental Lender Note (Gateway at Hutchins Apartments)**

This transaction was submitted on the exempt track. The 6-day review period ends at the close of business on Tuesday, August 9, 2016.

Representatives present were: Teresa Morales, Manager of Multifamily Finance, TDHCA; Brent Stewart, Director of Real Estate Analysis, TDHCA; Elizabeth Bowes, Bond Counsel, Bracewell LLP; Robert Poswalk, Financial Advisor, George K. Baum & Co.

Teresa Morales answered questions from the Board.

1. **Public Comment**

There was no public comment.

1. **Date for Next Board Meeting**

A Called Board Meeting is scheduled for Friday, August 12, 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 continuing staff education.
* Local government processing is continuing along on schedule.
* TDHCA and TSAHC are seeking $1 billion and $200 million, respectively, in volume cap for their Mortgage Credit Certificate programs. Four issuers have expressed interest in the remaining QECB authority.
* Staff is continuing to work on the 2018-19 Capital Expenditure Plan which is due September 1, 2016.

1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:26 a.m.