Minutes

Texas Bond Review Board

Planning Session

Thursday, September 19, 2013, 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, September 19, 2013 in the Capitol Extension Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Kenneth Besserman, Alternate for Comptroller Susan Combs; and Hasan Mack, Alternate for Lieutenant Governor David Dewhurst. 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 (Mission Del Rio Homes) Series 2005**

Representatives present were: Cameron Dorsey, Director of Multifamily Finance, TDHCA; Teresa Morales, Multifamily Division Manager, TDHCA; Elizabeth Bowes, Bond Counsel, Bracewell & Giuliani; Barton Withrow, Financial Advisor, George K. Baum & Co.; Megan Goodfellow, Director, Special Asset Management, Centerline Capital Group.

TDHCA has submitted an application to issue its Multifamily Housing Mortgage Revenue Refunding Bonds (Mission Del Rio Homes) Series 2005 in a maximum par and total proceeds amount of $8,970,392 including premiums, if any.

The proceeds of the bonds will be used to reissue previous debt issued for Mission Del Rio Homes located at 731 Riverside, San Antonio.

The bonds will be issued pursuant to Chapters 2306 and 1371 of the Texas Government Code.

The TDHCA Board approved the reissuance at its September 12, 2013 Board meeting.

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.

TDHCA is acting as a conduit issuer for this transaction and as such the bonds do not constitute an obligation, debt or liability of the state of Texas.

The property is expected to maintain its 50% tax abatement. If the abatement were lost, additional support of $7000 per year would be required to maintain breakeven operations.

The restructuring will reduce the principal balance on the currently outstanding debt by $2,035,091 thus reducing debt service payments by $98,702 annually.

Annual support of $88,313 (20.4% of the total support available) would be needed to achieve a debt coverage ratio of 1.15 in the first year, and the amount declines thereafter.

1. **Discussion of the Texas Department of Housing and Community Affairs Multifamily Restructuring Transaction (Homes at Pecan Grove)**

Representatives present were: Cameron Dorsey, Director of Multifamily Finance, TDHCA; Teresa Morales, Multifamily Division Manager, TDHCA; Elizabeth Bowes, Bond Counsel, Bracewell & Giuliani; Barton Withrow, Financial Advisor, George K. Baum & Co.; Megan Goodfellow, Director, Special Asset Management, Centerline Capital Group.

Mr. Dorsey provided an overview of this restructuring which will not require Bond Review Board approval.

1. **Public Comment**

There were no public comments.

1. **Adjourn**

There being no further business to discuss, the planning session adjourned at 10:20 am.