



# HARRIS COUNTY HOUSING FINANCE CORPORATION

c/o HARRIS COUNTY HOUSING & COMMUNITY DEVELOPMENT  
1111 Fannin, 9<sup>th</sup> FL., HOUSTON, TEXAS 77002

## MINUTES

**Harris County Housing Finance Corporation Board Meeting**  
**Harris County Housing and Community Development- Auditorium**  
**8410 Lantern Point Dr. Houston, TX 77054**  
**Wednesday, October 16, 2024, at 10:00 am**

### Board of Directors:

Jason McLemore	President - Present
Chad Khan	Vice President - Present
Hon. Dwight Jefferson	Treasurer – Present
Thao Costis	Secretary - Absent
Robert Belt	Director - Present
Mercedes Sanchez	Director - Present
Francisco Castillo	Director - Present
Bryan Sanchez	Director - Present
Adrian Ozuna	Director – Absent

The following persons also attended the meeting: Rene Martinez, Carmen LaTorre, Steven Harris, Sheerah Walker, Candace West, Bianca Urbina, representing Harris County Housing & Community Development Department (HCHCD), Randy Keenan & Gina Boul representing the County Attorney's Office, Gary Machak and Joshua Karar with Stifel, and Andy Prihoda with Bracewell, Marlon Mitchell and Mannaser Marshall with Houston Business Development Inc, Joe Pollock with Streamline, and Mike Robinson with Community Improvement Plan, Madeline Steck with CJO and Lauren Hodge with Coats Rose, P.C.

The following items were brought before the Board of Directors for consideration and/or approval.

**1. Call the meeting to order and verify that a Quorum is present.**

President McLemore called the meeting to order at 10:00 am. Mr. Martinez conducted a roll call and verified there was a quorum.

**2. Public Comments.** No public comments.

**3. MyHart Comms followed up for a final vote on HFC Logos.**

Logo options for the HFC were presented again to the Board, where Ms. Hartgrove and Mr. Belkin from MyHart Comms led the discussion on the various designs. After considering the feedback, the Board agreed that the "3 Stories" logo best represented the corporation. Director Jefferson moved to approve the "3 Stories" logo, and Director Castillo seconded the motion. The motion was approved unanimously.

**4. Executive Director's Report**

Mr. Martinez reported that the demolition bid for the Hays Project site is on schedule and took place on October 9th. He noted that the Demo Party was a well-attended event and expressed his gratitude to the team. He further mentioned that the Bayview Apartments project, which requires only administrative approval and not Board action, will proceed with the full defeasance of the bonds issued by HCHFC. The developers are refinancing the project, and there is optimism for continued collaboration in the future. Further, he explained that in 2006, HCHFC issued bonds for Bayview Apartments in Baytown. The project owner has now indicated their intent to refinance the loan and fully repay the bonds by November 1st. Once the bonds are repaid, the bond regulatory agreement will terminate. The owner has requested that HCHFC sign a release of the regulatory agreement, which will be recorded in the County deed records. He assured the Board that the project would remain affordable under a tax credit LURA for approximately 15 more years, as required by the TDHCA restrictive period. The owner has also expressed interest in future opportunities with HCHFC, including potential re-syndication and rehabilitation plans, which may be brought back to the Board.

Also, developers are expressing significant interest in collaborating with HCHFC, especially on project re-syndication and new developments. He mentioned that the final round of bond inducement approvals for Board consideration is scheduled for October 16th, with submissions to the Texas Bond Review Board due by October 18th. Discussions have been held with single-family developers and multi-family investors about issuing 501(c) bonds with equitable title ownership in a multi-family project. He reported that a total of 2,265 units have been submitted in applications, with the projects' total budget amounting to approximately \$310 million, while the available budget stands at \$546 million. Mr. Martinez concluded by announcing that a 15-year HFC multifamily cash flow estimate for 2023 and 2024 will be updated and presented at the November Board meeting.

## **RESOLUTION**

5. **HFC Multifamily Private Activity Bonds Project Inducements:** Developer Presentations, Discussion, and possible action on a resolution declaring intent to issue bonds or notes to provide financing for the following multi-family residential developments for persons of low and moderate-income: **Background:** Multiple development interests have met with the HCHFC for Bond Inducement support coupled with 4% LIHTC, and projects seeking other related support. The Inducement for Private Activity Bonds (PABs), with an application due to the Texas Bond Review Board Lottery by Oct. 18<sup>th</sup>, requires completion of an application, including a \$15,000 HCHFC application fee. The HCHFC will receive a 1.0% Issuer fee and a 0.1% to 0.25% annual fee if a project receives a bond allocation. Two (2) projects were approved at the Oct 9<sup>th</sup> Board meeting, and the remainder were presented at the October 16<sup>th</sup>. Board Meeting. Later filings may occur without Lottery participation.
  - A) **Serenity Palms Bond Inducement (HBDI - Presentation)** Discussion and Possible Action on Resolution Declaring Intent to Issue Bonds or Notes to Provide Financing for a Multi-family Residential Rental Development for Persons of Low and Moderate Income (Serenity Palms, 145 units). Mr. Marlon Mitchell and Mr. Mannaser Marshall with Houston Business Dev. Inc. gave a presentation on Serenity Palms which proposes 145 affordable units, inside Loop 610; located in the southeast quadrant of Houston, corner of Bridge Road and Martin Luther King. Land Cost is \$2M, Hard Cost \$18M, and Soft Cost \$6M.
  - B) **Enclave on Katy Bond Inducement (Streamline - Presentation)** Discussion and Possible Action on Resolution Declaring Intent to Issue Bonds or Notes to Provide Financing for a Multi-family Residential Rental Development for Persons of Low and Moderate Income (Enclave at Katy, 358 units). Mr. Joe Pollock presented for all three projects, Enclave on Katy, Enclave on Crosby, and Enclave at Cypress. They have requested priority 1C and stated they have closed on 2400 units with previous projects. The projects he presented will be 60% or below AMI; no market rate units They will include 1–4-bedroom units and hope to receive reservations in Jan. He mentioned the addresses of all locations. The Enclave on Katy will be located at 5138 Katy Hockley, Katy TX near Katy Mills Mall. The Enclave at Crosby will be located at 15119 FM 2100, Crosby, TX, and the Enclave at Cypress will be located at 15815 Merle Road, Cypress TX closer to 290 and I-10.
  - C) **Enclave on Crosby Bond Inducement (Streamline - Presentation)** Discussion and Possible Action on Resolution Declaring Intent to Issue Bonds or Notes to Provide Financing for a Multi-family Residential Rental Development for Persons of Low and Moderate Income (Enclave at Crosby, 358 units).
  - D) **Enclave at Cypress Bond Inducement (Streamline - Presentation)** Discussion and Possible Action on Resolution Declaring Intent to Issue Bonds or Notes to Provide Financing for a Multi-family Residential Rental Development for Persons of Low and Moderate Income (Enclave at Cypress, 358 units).
  - E) **Baypointe Apartments Inducement (April Housing - Presentation)** Discussion and Possible Action on Resolution Declaring Intent to Issue Bonds or Notes to Provide Financing for a Multi-family Residential Rental Development for Persons of Low and Moderate Income (Baypointe Apartments, 236 units). Mr. Mike Robinson presented his project as a plan for community improvement totaling 236 units; located behind the old Microcenter.
  - F) **Hays Street Apartmentns Bond Inducement (HCHFC – Action only)** Discussion and Possible Action on Resolution Declaring Intent to Issue Bonds or Notes to Provide Financing for a Multi-family Residential Rental Development for Persons of Low and Moderate Income (Hays Street Apartments, 110 units).

The Board decided to approve all presented items in a single action. Director Belt moved to approve all the projects, and Director Castillo seconded the motion. The motion was unanimously approved.

#### FINAL APPROVAL

- 6. Rushmore Approval Resolution. Discussion and possible action on a Resolution Authorizing the Rushmore Apartments Transaction, Including the Execution of All Documentation Necessary to Carry Out the Transaction; and Authorizing the Acquisition of a Membership Interest in HCHFC Rushmore GP, LLC and Its Admission as the Managing Member of HTG Rushmore, LLC; and Authorizing the Financing for Such Transaction; and Authorizing HCHFC to Serve as the General Contractor for the Project; and Other Matters in Connection Therewith (Pct 4, 101 units, new construction)**

Mr. Martinez presented Rushmore's Resolution and noted that this was the final step in a 3-part process. Director Khan made the motion to approve the resolution, and Director Bryan Sanchez seconded the motion. The motion was unanimously approved.

#### OTHER MATTERS

- 7. Such other matters as may come before the Board.**

Mr. Martinez announced that the Tidwell Groundbreaking event with the Cesar Chavez Foundation is scheduled for Wednesday, October 30, at 3:30 p.m. Mr. Keenan informed the Board of an upcoming revision of the Articles and Bylaws. He proposed distributing the revised Articles and Bylaws to the Board by October 31, allowing members to review and provide feedback at the next Board meeting on November 13. He plans to present a redline version for final approval on December 15, as the Articles require court approval. Additionally, there are plans to submit a 501(c)(3) application to the IRS, which could take 3-12 months for approval. He emphasized that there is a significant amount of work ahead. Director Castillo inquired about potential IRS scrutiny, but Mr. Martinez clarified that the corporation operates as a non-profit entity.

- 8. Adjournment.**

The meeting adjourned at 11:45 a.m.

Secretary

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APPROVED:

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