



HARRIS COUNTY HOUSING FINANCE CORPORATION

c/o HARRIS COUNTY COMMUNITY SERVICES DEPARTMENT

8410 LANTERN POINT DR.

HOUSTON, TEXAS 77054

MINUTES

Harris County Housing Finance Corp. Board Meeting

Harris Co. Community Services Department 8410 Lantern Point Dr. Houston, TX 77054

January 17, 2024, @ 9AM.

The HCHFC Board meeting WAS HELD virtually. The public was provided access to the meeting through the following link: [+1 281-985-1862 United States, Houston, Conference ID# 274 247 106 390#](https://www.zoom.us/j/91274247106390)

Board of Directors:

David Corpus	President
Jason McLemore	Treasurer/Secretary
Chad Khan	Director
Thao Costis	Director
Mercedes Sanchez	Director
Francisco Castillo	Director
Chad Khan	Director
Dwight Jefferson	Director

and all of said Directors were present thus constituting a quorum at 9:01 am. The following persons were present: Rene Martinez, Carmen LaTorre, Steven Harris, Sheerah Walker, Craig Atkins, and Bianca Urbina, representing Harris County Community Services Department (HCCSD), Randy Keenan with Harris County Attorney's Office, Josh Karar, Gary Machak and David Webb with Stifel, Elizabeth Bowes, Summer Greathouse, James Plummer, and Andrew Prihoda with Bracewell, LLP, Neal Rackleff, Rackleff LLP, Joy Horak-Brown with New Hope Housing Ennis, David Sebastian with Wentwood Properties, Tom Huth, Cody Hunt and Taylor Thomas with Palladium.

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

- 1. Public Comments – No public comments**
- 2. Nomination and appointment of Vice President of the HCHFC Board of Directors to fill a two-year term of the former Vice President (Charles Lusk), under the Articles of Incorporation of the HCHFC, and as amended, and the Bylaws of the HCHFC, as amended on March 2, 2005. The Director shall serve until a new Director is appointed by the Governing Body of the County.**

President Corpus asked for the motion to approve the appointment. Director Khan made the motion to approve the nomination of Jason McLemore as Vice President seconded by Director Castillo, with the Board voting unanimously. Following this action, President Corpus requested a motion to amend item #2 and add Chad Khan, substituting the nomination of Treasurer/Secretary, the former Director (Jason McLemore). Mr. Martinez noted Director Khan's interest in the role of Treasurer/Secretary. Mr. McLemore motioned to approve the amendment to item #2, seconded by Director Jefferson, and unanimously approved by the Board. Mr. Atkins noted Ms. Urbina will coordinate with Treasurer Khan on signature cards with all of our banking institutions.

- 3. Nomination and appointment of the Chair of the Harris County Community Land Trust Management Corporation to fill the unexpired January 2021 four-year term of the former Chair (Charles Lusk), according to the Bylaws of the HCCLT Management Corporation.**

President Corpus made a motion to nominate Treasurer McLemore as the Chair of the CLT Board, seconded by Director Costis. The motion passed unanimously.

4. Approval of minutes from the December 13th Board Meeting. President Corpus requested a motion to approve the minutes. Treasurer McLemore made the motion to approve, and Director Jefferson seconded the motion. The Board approved unanimously.

5. Approval and discussion of the payment of certain bills and expenses and Financial Report, and possible action with respect thereto: Financial Reports include Treasurer's Report, Balance Sheet, Income Statement, HCHFC Investments, Annual Budget vs. Year-to-date actuals. Adoption of Proposed 2024 Annual Budget for the Fiscal Year period of January – December 2024. Agenda Item: Approval and Discussion of Bill Payments.

President Corpus initiated the discussion on the item. Mr. Atkins recommended treating the treasurer's report and financial statements and approval of the budget as distinct actions.

Approval of Financial Report and Bills: President Corpus proposed proceeding with the financial report and approval of bill payments. Mr. Atkins clarified a payment related to the Palladium Ella project, stating it is revenue and not a reimbursement. Mr. Atkins highlighted the ending balance of cash and investments, \$7.6M year-to-date. Income of \$2.8M. Discussion on CLT expenses ensued with Treasurer McLemore stating a need to track CLT expenses separately and the loan repayment to the HFC. Mr. Atkins stated that we are coordinating with Mr. Keenan on formalizing a \$100K loan note and will work with Treasurer McLemore and Mr. Martinez to create a CLT cash flow schedule. President Corpus asked for the motion to approve the item. Director Belt made the motion to approve, and Treasurer McLemore seconded the motion. The Board approved unanimously.

Budget 2024: Mr. Atkins stated that the 2024 budget includes an expanded listing of revenue streams and coordination on the budget involving Mr. Martinez, and Stifel. He noted the ARPA grants revenue is based on a schedule prepared by CSD, emphasizing the separate schedule behind the primary budget document. Treasurer McLemore stated that he proposes segregating APRA funds out of general revenue and into a separate fund due to limited control over pipeline projects. This would provide better visibility and avoid potential impact on how revenues are characterized in the future. Mr. Martinez added clarification that ARPA projects are in various approval stages and that the budget would be amended in the future. Treasurer McLemore sought clarification on the travel and training budget and specific allocation for three members to attend conferences. Mr. Martinez explained the specificity of the budget and attendees, using past conferences for cost estimates, and would seek participation interest from Board members at the Feb. Board Mtg. Mr. Atkins clarified the adjustments in the travel and training budget, separating it from miscellaneous expenses, and separating in more detail other categories. Treasurer McLemore made the motion to approve the 2024 Budget and Director Khan seconded the motion. The Board approved unanimously.

APPROVAL OF TRANSACTIONS

6. Hastings at Mansion Green Seniors Apartments Transfer Resolution (252 units, Precinct 3): Resolution Consenting to Sale of General Partnership Interest in Mansions at Hastings Green Senior, L.P. in Connection with Multifamily Housing Revenue Bonds (Mansions at Hastings Green Seniors) Series 2007; and Containing Other Provisions Relating to the Subject.

President Corpus introduced the item. Andy Prihoda presented an overview. Mr. Martinez stated that he, Bracewell and Stifel have been working with the development team on two projects described in Item 6 & 7. The first project involves 252 units in Precinct 3, with the request to consent to the sale of the General Partnership. The second project, Hastings at Mansion Green Family involves defeasing multi-family revenue bonds issued by the HFC. He assured the board that there were no issues with TDHCA compliance or property management for both projects and recommended approval after thorough vetting by various parties, including Stifel. Mr. David Sebastian from Wentwood Company presented details on Items 6 & 7. Wentwood Company is an Austin-based owner-operator of affordable housing with extensive experience in Texas and Harris County. The intention is to recapitalize these projects as they reach the end of their 15-year Low-Income Housing Tax Credit compliance period. Mr. Prihoda clarified that Freddie Mac had consented to one project, and the consent for the second project was pending, and proposed conditioning the approval on receiving Freddie Mac's consent within 60 days, with the option to rescind the resolution if not obtained. The County Attorney's Office supported adding the 60-day condition. Director Khan made a motion to approve the replacement resolution for item #6 on the agenda, considering the 60-day condition for Freddie Mac's approval. Treasurer McLemore seconded the motion. The Board approved unanimously.

7. Hastings at Mansion Green Family Apartments Transfer Resolution (230 units, Precinct 3): Resolution Consenting to the Sale of Mansions at Hastings Green Apartments; Authorizing the Execution and Delivery of an Assignment, Assumption

and Consent Agreement Relating to Restrictive Covenants in Connection with Defeasance of Multifamily Housing Revenue Bonds (Mansions at Hastings Green) Series 2007; and Containing Other Provisions Relating to the Subject. Mr. Prihoda presented an overview of the transaction involving a defeasance of the bonds. Director Khan made a motion to amend the motion involving Freddie Mac approval. Director Jefferson amended the motion, and Treasurer McLemore seconded. The Board approved unanimously.

8. New Hope Housing Ennis Approval Resolution (102 units, New Construction, Pct. 1). Resolution Authorizing the New Hope Housing Ennis Apartments Transaction, Including the Execution of All Documentation Necessary to Carry Out the Transaction; and Authorizing the Acquisition of a Membership Interest in HCHFC Ennis Manager, LLC and its Admission as the Managing Member of NHH Ennis, LLC; and Authorizing the Financing for Such Transaction; and Other Matters in Connection Therewith.

Ms. Horak-Brown presented details on the project, and Mr. Lastimoso discussed partnership terms and financial details. Questions were raised and responses provided regarding parking, transportation, and services. Director Jefferson made the motion and Treasurer McLemore seconded the motion. The motion passed unanimously.

MEMORANDUM OF UNDERSTANDING

9. Discussion and possible action on a Resolution Approving and Authorizing the Execution of a Memorandum of Understanding for the Park Row Katy Living Apartments Transaction (93 units, New Construction, Pct. 4).

Mr. Martinez introduced the item and representatives from Palladium USA. Ms. Thomas provided updates on the timeline, land acquisition, and the plan for financial closing on April 15, 2024. Director Jefferson inquired about the affordability percentages and rent structure. Ms. Thomas explained the mixed-income development, detailing units at various AMI levels. Director Castillo questioned market rates, and Mr. Huth clarified the competitive pricing based on the local market. Income bands and HUD-established rent limits were explained, ensuring compliance with AMI requirements. A motion to approve the project was made by Director Belt and seconded by Director Costis. The motion passed unanimously.

OTHER MATTERS

10. Review and Discuss Treasury ARPA, Multi-family Bonds, and Tax Credits Process.

Mr. Martinez presented flow charts related to previous questions about Bonds, Tax Credits and Treasury ARPA flows. Discussion only.

11. TDHCA Single Family Mortgage Production Report Demographic Summary as of November 23, 2023.

Mr. Martinez provided an update on the Single-Family Mortgage Program, reporting assigning \$167M in approved bond from the HCHFC to TDHCA since 2020. A total of 462 loans have been tracked. He discussed the geographical distribution in the HFC service area outside the city of Houston. Director Castillo inquired about obtaining addresses for the homes. Director Sanchez suggested using ZIP codes to gain a general overview of the program's distribution. Discussion only.

12. Such other matters as may come before the Board. None

13. Adjournment: The meeting adjourned at 10:42 am.

Secretary

APPROVED:
