



HARRIS COUNTY HOUSING FINANCE CORPORATION
c/o HARRIS COUNTY HOUSING & COMMUNITY DEVELOPMENT
1111 Fannin, 9th FL., HOUSTON, TEXAS 77002

MEETING MINUTES

Harris County Housing Finance Corporation
c/o Harris County Housing and Community Development
Special Board Meeting

Meeting held remotely via TEAMS; Thursday, August 1, 2024, at 10 am

Board of Directors:

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

The following persons also attended via TEAMS: Rene Martinez, Carmen LaTorre, Steven Harris, Candace West, Craig Atkins, Bianca Urbina, Hafsa Moinuddin, Cana Cen, Rupa Sen, Tory Gunsolley, representing Harris County Housing & Community Development Department (HCCSD), Gina Boul representing the County Attorney's Office, Gary Machak, and Joshua Karar with Stifel, and Andy Prihoda with Bracewell

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.** A roll call was named, and a quorum was confirmed at 10:03 am.

FINAL APPROVAL

2. **Solano Bond Approval.** Discussion and possible action on a Resolution Authorizing the Issuance, Sale and Delivery of Multifamily Housing Revenue Bonds (Solano Apartments) Series 2024A and Series 2024B; Approving the Form and Substance of and Authorizing the Execution and Delivery of Documents and Instruments Pertaining Thereto; and Containing Other Provisions Relating to the Subject (**Pct 2, 260 units, acquisition/rehab**).

3. **Solano GP Approval.** Discussion and possible action on a Resolution Authorizing the Solano Apartments Transaction, Including the Execution of All Documentation Necessary to Carry Out the Transaction; Authorizing the Formation of HCHFC Solano Landowner, LLC and the Purchase and Lease of the Land for the Transaction; Authorizing the Acquisition of All of the Membership Interest of HCHFC Solano GP, LLC and Its Admission as the General Partner of LSC Solano LIHTC, LP; and Authorizing the Financing for Such Transaction; Authorizing the Harris County Housing Finance Corporation to Serve as the General Contractor and Other Matters in Connection Therewith (**Pct 2, 260 units, acquisition/rehab**).

Mr. Martinez gave a project overview of the Solano Project: 260-unit acquisition and rehab in Precinct 2, non-ARPA development, 4% tax credit, and bond yield and stated project approval and general partnership, with a 180-day closing period. Target units: 60% AMI or less, some at 80% or less. Financing: Security certificate to pay bond debt. Bond Amount: Combined tax-exempt debt not to exceed \$29 million.

Discussion Points:

Series A Bonds: Estimated at \$26.6 million for permanent debt.

Series B Bonds: Equity bridge loan to maximize volume cap usage.

Total Issuance: Expected around \$28.7 million.

Key Questions and Answers:

Tax-Exempt Bonds and Volume Cap: Mr. Josh Karar explained that the combined amount cannot exceed \$29 million. Allocation is administered by the Texas Bond Review Board. Director Jefferson Inquired about the bond amount and timing. Mr. Karar explained bonds must close by August 23rd. Pricing is expected around August 15th, with document posting scheduled for next week. Director Jefferson questioned the extended timeline. Mr. Andy Prihoda explained the financing team's assembly and review process. Mr. Gary Machak added that the timeline is typical, with 180 days being the norm.

Insurance and Indemnity: Director Belt asked about contractor roles and sales tax exemption and Mr. Karar clarified the roles of general contractor and prime subcontractor and discussed sales tax exemption. Director Khan asked about the risks associated with the transaction.

Mr. Karar clarified the indemnity provisions and insurance policies that mitigate risk.

Bond Insurance: Vice President McLemore inquired about bond insurance and Mr. Karar explained there is no bond insurance, but the Fannie Mae guarantee provides a high rating. He proposed approval of the bond issuance parameters. Motion: Approved by the board.

Conclusion: Direct Khan made the motion to approve both resolutions. Director Belt seconded the motions. The motion was carried unanimously.

OTHER MATTERS

4. **Such other matters as may come before the Board.**

Next Steps: Focus on meeting the August 23rd deadline for closing the bonds.

Mr. Martinez reminded everyone of the Hartwood Spring Shadows Groundbreaking ceremony and looked forward to seeing everyone who could attend there.

5. **Adjournment:**

The meeting concluded at 10:27 am with acknowledgments and thanks for the discussion and questions.

Rene Martinez, Executive Director
Harris County Housing Finance Corporation