



Meeting Minutes
Harris County Housing Finance Corporation Board Meeting
8410 Lantern Point, Houston, TX 77054 - Auditorium
February 26, 2025, at 10:00 am

Board Members:

Present: **President,** Jason McLemore, Vice President, Chad Khan, Secretary, Thao Costis, Treasurer, Hon. Dwight Jefferson, Director, Mercedes Sanchez, Director, Francisco Castillo, Director, Adrian Ozuna, Director, Brian Sanchez, and Director, Robert Belt.

Others Present:

Rene Martinez, Carmen LaTorre, Steven Harris, Sheerah Walker, Candace West, Craig Atkins, Bianca Urbina, Rhea Swinson, Rupa Sen, Cana Cen, Tory Gunsolley, & Amanda Rocha representing Harris County Housing & Community Development Department (HCHCD), Randy Keenan and Gina Boul representing the Harris County Attorney's Office, Gary Machak and Joshua Karar representing Stifel, Andy Prihoda representing Bracewell, Becky Meyers and Robert Belkin representing My Hart Communications. , Nathan Kelley from Blazer, Jervon Harris with Super Urban Realty Ventures and Lisa McCraig with Texas Association of Counties Insurance attended virtually via Microsoft Teams.

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

1. Call the meeting to order; took roll call and verified that a Quorum is present.

President McLemore called the meeting to order at 10:00 AM and confirmed the presence of a quorum. Director Sanchez and Director Belt were initially absent.

2. Public Comments. There were no public comments.

3. Approval of minutes from the January 15, 2025, Regular Board Meeting. A motion to approve the regular board meeting minutes from January 15, 2024, was made by Vice President Khan, and seconded by Director Ozuna; the motion carried unanimously.

4. Approval and discussion of payment of certain bills and expenses and Financial Report, and possible action with respect thereto: Financial Reports include the Treasurer's Report, Balance Sheet, Income Statement, HCHFC Investments, and annual Budget vs. Year-to-date actuals. ARPA Construction Reimbursements Reconciliation Report for the period. Mr. Craig Atkins presented the financials. The Board of Directors proposed transferring funds into sweep accounts to maximize yields compared to standard accounts, aiming to optimize cash management. The Board requested further exploration of available options. A motion to approve the financials was made by President McLemore, and seconded by Director Ozuna; the motion carried unanimously.

5. Executive Director Report. Mr. Martinez presented his report, including the recent groundbreaking ceremony for Lost Oaks, a new multi-family affordable housing development. He stated there is an amendment to the HCD Management & Accounting Service Agreement on the agenda for approval, based on prior board discussions, and approval of the increased \$460,000 fee in the 2025 Budget. He plans to place the amended agreement on the March 27, 2025 Commissioners Court agenda. The team is meeting with multi-family developers/owners interested partnership deals, and potentially issuing 501c Bonds. Mr. Martinez briefed the board on participating in the TAAHP 2025 Rally Day and status of Chapter 394 legislative amendments, Mr. Kelly (TAAHP President) provided additional information about House Bill 21 (HB21) introduced in the 2025-2026 89th Legislature by Representative Gary Gates. This bill proposes changes to the regulations governing housing finance corporations (HFCs), that also include a provision to be opposed by the HCHFC on County created HFCs only operating in unincorporated Harris County vs. countywide. Mr. Kelley stated that legislators plan to amend any of the bills under consideration to permit County created

HFC to operate countywide. The bill aims to enhance transparency by subjecting HFCs to the Texas Open Meetings Act, ensuring their meetings and records are publicly available. The major issue is preventing traveling HFCs.

6. **Presentation by Developer, Request for approval of a Resolution of Support, and Funding request for 500.00 loan for the Resolution Companies (Developer) Lafayette Village Apartments acquisition and rehab development (250 units) 4822 E. Sam Houston Pkwy, Houston Tx 77015, 9% Affordable Housing Tax Credit Project that is being submitted to the Texas Department of Housing & Community Affairs in March 2025 Precinct 3.** Mr. Martinez informed the board the request for the Lafayette Village Apartments project was withdrawn due to challenges related to rehabilitation tax credit pricing, which affects the proceed.
7. **Presentation by Developer, Request for approval of a Resolution of Support, and funding Request for 500.00 loan for the Blazer Building (Developer) Hartwood at Windstone Apartments, new constitution (123 units) 19735 Clay Road, Katy Texas 77449, 9% Affordable Housing Tax Credit Project that is being submitted to the Texas Department of Housing and Community Affairs in March 2025. Precinct 4.** Nathan Kelley of Blazer Building presented the Hartwood at Windstone Apartments project, detailing its submission to the Texas Department of Housing and Community Affairs (TDHCA) for consideration under the Competitive (9%) Housing Tax Credit program. He addressed questions regarding the project's specifics. Mr. Martinez stated that he would provide the Board with information on how the tax credits function and details concerning the repayment of the \$500 loan associated with the project. A motion to approve the item was made by Vice President Khan, and seconded by Director Ozuna; the motion carried unanimously.
8. **Presentation by Developer, Request for approval of a Resolution of Support, and Funding request for 500.00 loan for the CSH Tomball Senior Village, Ltd (Developer) Tomball Senior Village, new construction (59 units), 14101 Medical Complex Dr. Tomball Texas 77373, 9% affordable Housing Tax Credit Project that is being submitted to the Texas Department of Housing a& Community Affairs (TDHCA Files: 21003/23900) in March 2025. Precinct 4.** Mr. Jervon Harris, Consultant, presented the Tomball Senior Village project to the Board of Directors, detailing its submission to the Texas Department of Housing and Community Affairs (TDHCA) for consideration under the 9% Housing Tax Credit program. He addressed questions from the Board regarding the project's specifics. Mr. Martinez explained the terms for the repayment of the \$500 loan associated with the project. A motion to approve the item was made by Director Ozuna, and Treasurer Jefferson seconded the motion. The motion carried unanimously.
9. **Discussion and possible action of amendment to Management & Accounting Services Agreement with Community Development Department to provide support to the HCHCD and related corporations/entities.** Mr. Martinez introduced the amendment to the current Management & Accounting Services Agreement that is based on prior board discussion and Board approval of the 2025 budget \$460,000 line item. Discussion ensued on accounting services, staff size, time allocation, and the work supporting the corporation. Mr. Martinez states that the budget increase reflects the increased staffing and work scope related to ARPA transactions and assets held by the HCHFC that was not reflected in the 2023 Agreement. A recommendation was made for a potential shift from using names to titles in documents to account for possible leadership changes. It was also suggested the Agreement is subject to further review and amendment, and agreed to reevaluate service agreements every four years. A motion to approve the agreement was made by Director Belt, and seconded by Director Castillo; the motion carried unanimously.
10. **Discussion and possible action on HCHFC Board of Directors Per Diem.** Mr. Keenan introduced the item and recapped that he previously transmitted to the board a legal analysis, a reviewed by another County Attorney, of Board Members receiving Per Diems and the potential legal liabilities under Texas Code. This is also related to the corporation's Directors & Officers insurance. He addressed the importance in ensuring HFC members are covered in case of indemnification and that Bylaws can be amended. Ms. McCraig with Texas Association of Counties Insurance discussed the D&O coverage and how it can be accessed. Board members raised numerous questions regarding the information provided, added concerns about per diem payments and potential liabilities. A motion to seek a vote on the item was made President McLemore and seconded by Director Ozuna. A roll call vote was taken and the item did not pass by a vote of 7 against and 2 in favor.
11. **Consideration and approval of Request for Reimbursement #5 for NHH Avenue C Project in an amount of \$1,103,943.81.** A motion to approve the reimbursement was made by Director Castillo, and seconded by Director Ozuna; the motion carried unanimously.

12. **Consideration and approval of Resolution approving amendments to agreements for Alcott Village Apartments to facilitate issuance of additional bonds by Houston Housing Finance Corporation.** The motion to approve resolution was made by Secretary Costis and seconded by Treasurer Jefferson; the Motion carried unanimously.
13. **Discussion, updates and potential action related to General Counsel (Randy Keenan-Co Attorney's Office) matters (contracts, corporation formation & organizational documents).** Mr. Keenan emphasized the importance of convening a meeting to review the Articles of Incorporation, By-Laws, and foundational documents for the HCHFC, the CLT, and the proposed Foundation. Staff will poll board members to identify suitable dates for this discussion for action at a future board meeting. Additionally, Mr. Keenan announced that Freddie Mac has approved the property transfer for Kingsland Park to the HFC. It is expected the matter will be brought for approval at the April meeting.

OTHER MATTERS

14. **Such other matters as may come before the Board.** Mr. Martinez introduced the MyHart Communications team, with Ms. Myers and Mr. Belkin present to provide updates on the new Housing Finance Corporation (HFC) website. The Board of Directors expressed positive surprise at the progress and showed interest in offering feedback. Mr. Martinez will transmit a link for their review.
15. **Adjournment:** At 11:42 am, President McLemore moved to adjourn the meeting and Director Ozuna seconded the motion. The motion passed unanimously.

Secretary

APPROVED:
