HARRIS COUNTY HOUSING FINANCE CORPORATION

Meeting Minutes
Harris County Housing Finance Corporation Board Meeting
Bracewell Conference Room, 22nd floor
711 Louisiana, Houston, TX 77002
June 18, 2025, at 9:00 am

Board Members:
Present: President, Jason McLemore, Treasurer, Hon. Dwight Jefferson, Director, Francisco Castillo, Director, Adrian Ozuna, Director, Brian Sanchez, and Director, Mel Hamous, Director Christa Stoneham**. Not Present:** Secretary, Thao Costis, Director, Mercedes Sanchez.

Others Present:
Rene Martinez, Steven Harris, Sheerah Walker, Candace West, Rhea Swinson, Rupa Sen, Tory Gunsolley, Amanda Rocha, Nereida Cruz, Hafsa Moinuddin, Paola Martinez representing Harris County Housing & Community Development Department (HCHCD), Randy Keenan and Gina Boul representing the Harris County Attorney's Office, Diana Featherson representing Harris County Pct. 4, Janae Ladet, representing Commissioner Rodney Ellis, Harris County Pct. 1, Gary Machak and Joshua Karar representing Stifel, Andy Prihoda, Summer Greenhouse, Clark Lord representing Bracewell, Suzy Hartgrove representing My Hart Communications, Chris Jedd and Allan Izzo, representing Fairstead, Marlon Mitchell and Mannaser Marshall, representing HBDi.

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 9:06 AM and confirmed the presence of a quorum.

2. **Public Comments.** There were no public comments**.**

3. **Welcome New Board Member Christa Stoneham**. President McLemore welcomed new Board Member Ms. Stoneham, President of Houston Land Bank, who expressed appreciation for the opportunity to serve on the Board.

4. **Approval of minutes from the May 21, 2025, Regular Board Meeting.** A motion to approve the regular Board Meeting Minutes from May 21, 2025, was made by Director Ozuna and seconded by Director B. Sanchez; the motion carried unanimously.

5. **Executive Director Repo**rt. Mr. Martinez provided his report, describing vacated board positions, including Vice President of the HFC Board and President of the CLT Board. Both positions are elected by the HFC Board. He stated H.B. 2l will enhance transparency by subjecting HFC's to the Texas Open Meetings Act. Clark Lord of Bracewell will be presenting information about the new law. A major issue addressed by the act was traveling HFCs which operate outside their jurisdiction and additionally requiring HFC meetings and records to be publicly available. He also stated the Summer Greathouse of Bracewell will be covering the Legislation impact on Section 394 as signed into law. Mr. Martinez briefed the board on his proposal to transfer an allocation to TDCHA for its Single-Family Mortgage Program. which would add approximately 284 single family homes financed outside of the City of Houston, which currently does not offer such financing, but will soon do so. The average amount of mortgage loans originated under the program is $239,000.

6. **Election of Officers:** 1. Seat for Vice President of the HFC Board: Mr. McLemore nominated Director B. Sanchez to serve as Vice President. Director Mel Hamous seconded. The election was passed unanimously and Director B. Sanchez accepted. 2. Seat for the President of the CLT Board. Mr. McLemore nominated Director M. Sanchez as President of the CLT Board, which

was seconded by Director Stoneham. Upon vote the election passed unanimously, subject to agreement to serve by Director M. Sanchez. If confirmed a vote would be needed for replacement for her vacated seat. Director Stoneham expressed an interest in holding the seat until Director M. Sanchez's return, so the matter was put on hold until confirmation.

7. **Presentation of Certain bills and expenses and Financial Report.** Financial Reports include the Treasurer's Report, Balance Sheet, Income Statement, HCHFC Investments, and Annual Budget vs. Year-to-date actual amounts. ARPA construction Reimbursements and Reconciliation Report for the period were also included. A copy of financials was included in the Board Packet. Mr. Martinez stated that neither Craig Atkins nor Bianca Urbina was present, and questions would be answered upon their return. At this point Director Ozuna moved to table the matter for further action and the motion was seconded by Treasurer Jefferson; the motion carried unanimously.

8. **Presentation and consideration of Resolution approving and authorizing the execution of Memorandum of Understanding for Haverstock Hills Apartments (East and West), and Other Matters in Connection therewith (700 units Acquisition/Rehab, Pct. 1).** Members from Fairstead, Allan Izzo and Chris Jedd presented information about the widespread activity and success of their company and the transformational changes proposed for the Haverstock Hills project. Mr. Izzo described rehabilitating every unit spending $110,000 per unit and keeping the project 100% affordable. Residents can remain after rehab is completed with time allotted for rehab of approximately 18 months. This project has Project Based Vouchers for qualifying tenants. This project is done as two bond issues, for separate sections and Haverstock East and Haverstock West with separate closings, expected to close simultaneously. They also said that this will be the largest project that they have ever undertaken. It is their goal to find Equity Partners for each section. A motion to approve the agreement was made by Director Castillo and seconded by Director Stoneham; the motion carried unanimously.

9. **Presentation and consideration of Resolution Approving Ground Lease, Land Use Restriction Agreement (LURA) and Subrecipient Agreement related to the Wellington Park Apartments,** Utilizing CDBG Program, and other Matters in Connection Therewith (244 completed units, Land Acquisition only, Pct 3). It is expected that tax exemption will be achieved for land value based by appraisal. Improvements are expected to stay on the tax rolls. Motion to approve was made by Director B. Sanchez and seconded by Director Ozuna; the motion carried unanimously.

10. **Presentation and consideration of Resolution Approving Subrecipient Agreement related to acquisition of Eastex project land and** Other Matter in Connection The property will be acquired utilizing CDBG Program Income (land acquisition for apartment development utilizing 4% LIHTC and bonds to be issued by HFC, Pct 1). Acquisition of vacant land with HFC ownership. This projected to be 200-unit development, energy star standards, with program income to be used. Treasurer Jefferson expressed concern about the directly adjacent to I-69. However, it is anticipated access will be provided from a separate entry off the side road for good access and safety for residents. Adjacent amenities are favorable. Funds generated are directed into the project. Mr. Gunsolley stated Housing Community Development looked at this site, various factors and determined this is the best action. The closing deadline of June 26th Is extended so closing would be in August. Motion to approve was made by Director Ozuna and seconded by Director Castillo; the motion carried unanimously.

11. **Presentation and consideration of Resolution approving participation with Houston Business Development Inc (HBDi) for Palmetto Place.** Mr. Marlon Mitchell representing HBDi presented a description of the land development project, a Single-Family Development available for CLT financing for 75% of units. The HFC will enter into an operating Agreement to be negotiated and signed by Mr. Martinez to advance $60,000 for pre-development expenses, including fencing and earth moving. This advance from the HFC will be reimbursed by an expected $2,000,000 development investment funded by RDA from its upcoming October bond closing. The sale of the property must be affordable to families at 80% of AMI, using loans for home ownership and 25% of homes sold at competitive market prices. HBDi has done considerable work on the site and is needing HFC to help with bonds in order to assure retention of ground from Mid-Town Redevelopment. Motion to approve was made by Director Stoneham and seconded by Treasurer Jefferson; the motion carried unanimously.

12. **Presentation and Consideration of Resolution approving participation with Houston Business Development INC (HBDI) for Serenity Palms Apartments.** Authoring the Executive Director to negotiate and execute Operating Agreement for investment of $75,000 for predevelopment costs to be repaid from bind proceeds. It is expected that $750,000 will support architectural design, legal and feasibility analysis. LIHTC consulting and other advances would be repaid at closing of private activity bonds and sale of tax credit equity. This action will facilitate immediate transfer of 2 acres of land for 145 affordable apartment homes to be called Serenity Palms and allow receipt of an adjacent 2 acres for senior housing to also be restricted

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for low-income residents. The property is adjacent to the Palm Center light rail stop on Griggs Road in Pct 1. It is expected the financing would close spring 2026 This $26 million issue received Inducement Resolution approval November 2024. The transit-oriented development will provide direct access to the purple line and services of Children's Hospital. Motion to approve was made by Director Stoneham and seconded by Treasurer Jefferson; the motion passed unanimously.

13. **Single Family Volume Cap Resolution**. Resolution Authoring the filing of an Application for Private Activity Bond Reservation $62,000,000. The filing with the Texas Bond Review Board will request Qualified Mortgage Bonds, and contain other Provisions related to the subject. Mr. Martinez stated this is for single-family loans to be originated outside of the City of Houston by TDCA. Commissioners Court will be requested to approve this Bond transfer. He also stated the HFC will receive a fee and will build up capital. TDHCA is developing its ground lease Mortgage Program which will support purchase of CLT homes. A Motion to approve was made by Director Castillo and seconded by Director Ozuna; the motion passed unanimously.

14. **Assignment of Volume Cap Resolution.** Discussion and possible approval of Resolution Approving Delegation of Bond Authority and Assignment of Private Activity Bond Authority to Texas Department of Housing and Community Affairs, Authorizing the Execution and Delivery of an Assignment Agreement and Containing Other Provisions Relating to the subject. The transfer of the allocation expected to be received from Item 13 above, will allow TDHCA to originate loans in Harris County and outside of the city. First time buyers' program with lower interest, downpayment assistance of 2% and attractive mortgage rates (recently 4%) will be available for 30-year term. This cooperative effort was initiated in 2020 with allocation assigned to TDCHA. This program provides affordability, utilizing approved lenders, and loans and downpayment assistance financed with bonds. It is expected that Realtors will receive training to build knowledge, and assure loans are available in all Precincts. A motion to approve was made by Director Castillo and seconded by Director Ozuna; the motion passed unanimously.

OTHER MATTERS

15. **General Counsel matters**. Randy Keenan, Senior Assistant County Attorney, gave an important summary of what has been proposed for a new entity to be created. He has presented draft formative documents for Harris HFC County Foundation, proposed the name, and he asked approval of the name. Directors could include 9 members for the Foundation, which will be organized under provisions as a 501(c)(3). The purpose was so new Foundation could accept land contributions and monitory donations. This would also be a public charity. This would help the roles of our Board Members having less exposure. The meetings for the foundation can be held consistent with our other Board meetings and have the roles of the Foundation be filled with current Board members. Upon Dissolution all assets go to the HFC. Other considerations including Indemnification of Board Members, Conflict of Interest and titles of officers was discussed. No action was taken.
The Articles of Incorporation and Bylaws of the HFC and CLT are also being updated to be consistent with state laws and other local requirements.

16. **Such other matters as may come before the Board**. No other matters came before the Board.

17. **Adjournment:** At 11:42 am, President McLemore moved to adjourn the meeting and Director Ozuna seconded the motion. The motion passed unanimously.

Secretary

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APPROVED:

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