HARRIS COUNTY HOUSING FINANCE CORPORATION

Harris County Housing Finance Corporation
Board of Directors Meeting Minutes
8410 Lantern Point, Houston, TX 77054
August 20, 2025, at 10:00 am

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

Others Present:
Rene Martinez, Steven Harris, Sheerah Walker, Rhea Swinson, Rupa Sen, Tory Gunsolley, Amanda Rocha , Hafsa Moinuddin, Paola Martinez, Candace West, Craig Atkins, Bianca Urbina, and Cana Sen representing Harris County Housing & Community Development Department (HCHCD)Joshua Karar representing Stifel, Andy Prihoda, representing Bracewell, Suzy Hartgrove representing My Hart Communications, Sean Thompson, representing Wentwood Companies/Mansion Senior Apartments, Richard Mudd and Redick Edwards, representing Houston Housing Finance Corporation, Max Whipple, representing The NRP Group, Winky Tsang and Jerry Torredes, representing HL&B, and Peter Brewton representing HR&A Advisors.

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

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

3. **Approval of the minutes of July 16, 2025, Regular Board Meeting.** Motion to approve the regular Board Meeting Minutes was made by Secretary Costis and seconded by Director Ozuna; the motion carried unanimously

4. **Approval of Treasurer's Report and certain bills and expenses. Include request for approval to pay NHH Avenue C RFR #11 for $1,708,418.68 (Board approval required for RFR over $1 million**). Motion to approve was made by Vice President B. Sanchez and seconded by Director Castillo; the motion carried unanimously

5. **Transmittal of Monthly Financials and Discussion.** Mr. Atkins presented the Financial Reports, they included the Balance Sheet, Income Statement, HCHFC Investments. He related there were no major items, President McLemore asked about the Steller Money Market account which could be moved into better accounts for higher interest yields. Mr. Atkins explained that funds are held for reimbursements and then moved into higher yield accounts, however, looking into TexStar, deposits and other possibilities. He will report back to the board on deposit and yield status. Mr. Atkins reported that we are developing an RFP for Banking Services and will report back to the board at a subsequent meeting on status related to the RFP. We are seeking an institution that can provide depository services, investment and that has capacity in affordable housing lending and investments. Treasurer Jefferson asked questions related to the Corporation's revenues related to Treasury ARPA and non-ARPA revenues to date vs. expenses, and Program Income. Mr. Atkins stated that the Balance Sheet reflects approximately $15-16M in liquidity. Mr. McLemore also stated that this reflects cash without restrictions. Mr. Martinez stated that liquidity has grown significantly from over

$7M to the current amount based on the level of project investments activity that has occurred related to ARPA transactions.

6. **Presentation and acceptance of accountants 'report and audited financial statements for Harris County Housing Finance Corporation for the year ended December 31, 2024.** Mr. Atkins introduced the auditors present from HL&B that completed the audit and were there to discuss their reports. Ms. Tsang discussed the required communication and noted that no misstatements were made, and no accounting policy changes were needed. There were several adjustments required and two weaknesses which have been corrected. Motion to approve was made by Vice President B. Sanchez and seconded by Treasurer Jefferson; the motion carried unanimously.

7. **Presentation and acceptance of accountants' report and audited financial statements for the Harris County Community Land Trust Management Corporation (a subsidiary corporation of the (HCHFC) for the year ending December 31,2024**

   The HCHFC Board of Directors temporarily closed the HCHFC meeting and opened the HCCLT Board of Directors meeting to consider acceptance of the audited financial statements for the year ending December 31, 2024. Board members present for the HCCLT included Vice Chair Jason McLemore, Treasurer Dwight Jefferson, Secretary Thao Costis and Board Member Francisco Castillo. Ms. Tsang discussed the financial statements of the HCCLT and their clean opinion on the financials. Motion to accept **the audited financials** was made by Director Castillo and seconded by Secretary Costis; the motion carried unanimously. The HCHFC Board of Directors meeting was reopened by President McLemore.

8. **Discussion and approval of HCHFC Travel, Training, Business Meeting Policy,** updated by Senior Assistant County Attorney as requested (Final action was deferred until September for discussion with Mr. Keenan). No Action taken; Matter tabled.

9. **Executive Director report.** Mr. Martinez provided his report; we are no longer proceeding with the acquisition of Wellington Apartments. The upper tier investors in the project did not sign off on land acquisition terms. A compromise of terms was proposed in an attempt to close the transaction. Mr. Martinez and Ms. Sen stated that we really did not get the full picture of why they changed their mind. Mr. Martinez advised that we have done other deals with this developer. He also stated the equity will go back into the original account for other sites for developments. Treasurer Jefferson questioned how often the developers change their minds at the last minute. Director Hamous also questioned whether this is a common practice. Ms. Sen stated that this was not common. President McLemore also stated that in the 8 years on the Board that it's only happened twice. And yes, a cost was incurred, and the developer would have to pay legal cost. Vice President B. Sanchaz stated that some deals just don't work out and it is common. Mr. Martinez stated the timeline in which the money would have to be spent is by next year July 31, 2026.

INDUCEMENT RESOLUTIONS

10. **Discussion and possible action on a Resolution Declaring Intent to Issue Bonds or Notes to Provide Financing for a Multi-family Residential Rental Development for Person of Low and Moderate Income (800 Burnett St., Hardy Yards Apartments); Prescribing Certain Terms and Conditions of Such Bonds for project with The NRP Group: Authorizing the Filing of an Application for Allocation of Private Activity Bonds With the Texas Bond Review Board: Authorizing a Public Hearing to be held in connection with the issuance of such Bonds or Notes; and containing other provisions relating to the subject(Pct 2, approximately 223 units, new construction.** Items 10 and 11 were combined and discussed together. Mr. Prihoda discussed the steps we must go through. He asked if the Board wanted to hear any comments from The NRP Group. Mr. Whipple was present and made several comments. Mr. Prihoda described the partnership agreement and identified terms of the transaction. President McLemore asked could we get notes on what's new and what had already been voted on. Relative to the Ph 2 project and potential transit-oriented development project in partnership with METRO, Treasurer Jefferson cautioned that funding had to be written off on METRO plans and cautioned on watching project expenditures. Mr. Martinez explained that developers cover most of our

costs and he also explained that Phase 2 was also a likely tax credit and private activity bond project. A motion to approve was made by Director Castillo and seconded by Vice President B. Sanchez; the motion carried unanimously.

11. **Discussion and possible action on a Resolution Relating to the Hardy Yards Transaction in Partnership with The NRP Group, to be located at 800 Burnett Street, Houston, Texas 77009, Including Authorizing all filings and agreements with Texas Department of Housing and Community Affairs in Connection with Applications for Low Income Housing Tax Credits: and Authorizing the Negotiation and Execution of a Memorandum of Understanding: and Oher Matters in Connection Therewith (Pct 2, approximately 223 units, new construction).** Action approved in combination with Item 10.

12. **Consideration and possible approval of the selection of HR&A Advisors as consultants to prepare the Houston Harris County Housing Affordability Strategy solicited as a request for information for professional housing strategy consultant services under the HCHFC, and in collaboration with the Harris County Housing & Community Development Department. Authorizing the Executive Director to negotiate and execute agreements with HR&A Advisors, and related team, using grant funding to be provided by Houston Endowment and Arnold Ventures.**

    Mr. Martinez introduced the item and stated that the Houston Endorsement has agreed to fund $385,000 (50%) of the housing affordability strategy budget total of $770,000, and that Arnold Ventures has verbally committed to fund the remaining 50% balance of $385,000. Commissioners Court and City Council approvals of this strategy are planned in 2026. HR&A has national experience and has also provided consulting services to other housing finance corporations and housing authorities. Mr. Brewton with HR&A discussed that they were pleased to be selected and look forward to working with the County and City. HR&A will determine supply and demand and answer how can we solve identified housing gaps and specific strategies to implement solutions over a 10-year period. Mr. Martinez and the board agreed it is good for City and County to work together. President McLemore stated that he and the board would support any funding gap if it were identified in the negotiation with Arnold Ventures and would like Board representation on the advisory committee. Vice President Sanchez also stated that it would be good to have Board participation and would like to participate. Motion to approve agreement was made by Director Ozuna and seconded by Vice President B. Sanchez; the motion carried unanimously.

13. **Resolution Consenting to the Sale of Mansions at Hastings Green Seniors: Authorizing the Execution and Delivery of an Assignment, Assumption and Consent Agreement Relating to Multifamily Housing Revenue Bonds (Mansion at Hastings Green Seniors) Series 2007; and Containing other Provisions Relating to the Subject.** President McLemore asked did we hold them to the 99-years groundlease and Mr. Prihoda explained this is a straight bond deal not subject to participation or extended restrictions. Mr. Martinez says we really want to engage with developers and continue deals such as with the current developer. Motion to approve was made by Secretary Costis and seconded by Director Hamous; the motion carried unanimously.

14. **Discussion and action approving the transfer of the title of the underlying real estate for Kingsland Park is a 198-unit for seniors proximate to Grand Parkway and Kingsland Blvd. in Katy. It has 141 units designated as 80% AMI units, and 5 units designated as 65% AMI units. Due to ARPA funding and timing, the underlying real estate was originally acquired by Harris County with the anticipation of transferring title to an HFC subsidiary when practical to do so. Approval is sought to approve this transfer and pay all relevant closing costs, including approximately $20,000 for the issuance of a new title insurance policy from Charter Title.** No action taken; Matter tabled. President McLamore left meeting at his point and Vice President B. Sanchez assumed duties as Chair.

15. **Consideration and possible approval of Rules for Financing Multi-Family Residential Rental Developments, Effective August 20 ,2025.** Mr. Martinez stated that the amendments were minor in nature. He asked Mr. Prihoda to present the changes: these include adding two new trustees. Mr. Karar described the reason for modification to transaction fees is to be competitive on Fannie Mae and Freddie Mac financing involving a Tax-Exempt Loan, that is a frequently used structure. The Fees to be adjusted go from 0.25% to 0.10% for such transactions at similar rates. Motion for approval was made by Secretary Costis and seconded by Director Ozuna; the motion carried unanimously.

OTHER MATTERS

16. **Such other matters may come before the Board**

17. **Adjournment:** Secretary Costis adjourned the meeting at 11:45am.

Secretary

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APPROVED:

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