Minutes

Texas Bond Review Board

Board Meeting

Thursday, March 17, 2011, 10:00 a.m.

R. E. Johnson Building, Central Conference Room

1501 N. Congress Avenue

Austin, Texas

The Texas Bond Review Board (BRB) convened in a regular meeting at 10:00 a.m., Thursday, March 17, 2011 in the R. E. Johnson Building, Central Conference Room in Austin, Texas. Alternates present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Don Green, Alternate for Lieutenant Governor David Dewhurst; and Kenneth Besserman, Alternate for Comptroller Susan Combs. Also in attendance were Tom Griess with the Office of the Attorney General, Bond Finance Office staff members and others.

**I. Call to Order**

Ed Robertson, as Chair, called the meeting to order at 10:07 a.m. A quorum was present.

**II. Approval of Minutes**

UPON MOTION BY ED ROBERTSON AND SECOND BY KENNETH BESSERMAN, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE NOVEMBER 9, 2010 PLANNING SESSION AND CALLED BOARD MEETING AS WELL AS THE NOVEMBER 18, 2010 PLANNING SESSION AND BOARD MEETING.

1. **Public Comment**

There were no public comments.

1. **Texas State Affordable Housing Corporation (TSAHC) Multifamily Housing Revenue Bonds (HDSA Texas Affordable Housing Pool Project) Senior Series 2011A**

Representatives present were: David Long, President, TSHAC; David Danenfelzer, Manager of Development Finance, TSHAC; Robert Dransfield, Bond Counsel, Fulbright & Jaworski LLP; Robin Miller, Financial Advisor, First Southwest; Dan Dill, Senior Vice President, Merchant Capital (Underwriter); Philip J. Kennedy, President, AOF/Bexar Affordable Housing Corporation (Owner); and Neal Rackleff, Attorney, Locke Lord Bissell and Liddell, LLP.

Dan Dill stated the ratings from S&P would be A for the Series A bonds, A- for the Series B bonds and BBB- for the Series C bonds.

UPON MOTION BY KENNETH BESSERMAN AND SECOND BY ED ROBERTSON THE TEXAS BOND REVIEW BOARD APPROVED THE ISSUANCE OF THE TEXAS STATE AFFORDABLE HOUSING CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (HDSA TEXAS AFFORDABLE HOUSING POOL PROJECT) SENIOR SERIES 2011A, TAXABLE SENIOR SERIES 2011A-T, SUBORDINATE SERIES 2011B AND JUNIOR SUBORDINATE SERIES 2011C IN AN AGGREGATE PAR AND TOTAL PROCEEDS AMOUNT NOT TO EXCEED $55,000,000 INCLUDING PREMIUMS, IF ANY, AS OUTLINED IN THE APPLICATION DATED FEBRUARY 25, 2011 AND SUPPLEMENTS THROUGH MARCH 17, 2011.

1. **Motion authorizing Bond Review Board staff to administer and collect fees related to the Qualified Energy Conservation Bond program at the direction of the Office of the Governor**

UPON MOTION BY DON GREEN AND SECOND BY ED ROBERTSON THE TEXAS BOND REVIEW BOARD APPROVED THE BOND REVIEW BOARD STAFF TO ADMINISTER THE QUALIFIED ENERGY CONSERVATION BOND STATE VOLUME CAP ALLOCATION PROGRAM AND CHARGE AN APPLICATION AND CLOSING FEE IN ACCORDANCE WITH A DESIGNATION FROM THE OFFICE OF THE GOVERNOR PURSUANT TO SUBCHAPTER D OF CHAPTER 1372 OF THE GOVERNMENT CODE.

1. **EXEMPT - Texas Public Finance Authority Charter School Finance Corporation (Cosmos Foundation, Inc.) Education Revenue Bonds, Series 2011A and Taxable Education Revenue Bonds (Direct-Pay Qualified School Construction Bonds) Series 2011Q**

BRB is awaiting additional information from TPFA for this issue.

1. **Date for Next Board Meeting**

The date for the next scheduled Planning Session is May 10, 2011, and the next Board Meeting is May 19, 2011.

1. **Report from the Executive Director**

* Per a Legislative request for methods to generate additional revenue, BRB staff projects revenue from a state application fee would generate approximately $253,000 a year.
* Rob Latsha said several bills would impact the Constitutional Debt Limit (CDL) including SJR 3 and SJR 25 which would allow TWDB to issue $6 billion in GO bonds under DFUND II. TWDB would be one of two GO not self-supporting (NSS) bond issuers with a revolving authorization. The other is TPFA’s MLPP program with $300 million of revolving authority.
* SB 334 and HB 1732 would adjust the CDL calculation by allowing TWDB to identify portions of debt issuances as self-supporting (SS) whereas in the past an entire series of debt would be required to be SS before removal from the CDL.
* HB 2944 and HB 2290 would require BRB to provide additional Local Government Strategy services. In order to implement the proposed services, such as providing a local debt database searchable by zip codes, an Accounting Technician 2 and Financial Analyst 1 would be required at a cost of $160,000 in salaries in addition to $45,000 in IT cost for the biennium.
* HB 2943 mandates staff from property taxing entities to provide the BRB with data on local bond initiatives.
* SB 421 provides the BRB with the authority to change the assumptions used to compute the CDL.

1. **Adjourn**

There being no further business, the Board meeting adjourned at 10:35 am.