

PRIVATE ACTIVITY BOND AUTHORITY BOARD MEETING

Governor's Office of Economic Development
Salt Lake City, Utah

MINUTES

Wednesday, January 8, 2014

Members Present

John T. Crandall (Acting Chairman)
Richard K. Ellis
Kyle Kershaw
Michael Jensen
Wayne Parker
Wayne Cushing
Jamie Davidson
Dennis Yarrington

Representing

Governor's Office of Economic Development
State Treasurer (via teleconference)
City of South Salt Lake (via teleconference)
Tooele County (via teleconference)
Provo City (via teleconference)
Salt Lake County (via teleconference)
Orem City (via teleconference)
Davis County (via teleconference)

Excused Members

Christopher M. Conabee
Grant S. Whitaker
Wilford Clyde

Governor's Office of Economic Development
Utah Housing Corporation
Utah State Board of Regents

Staff and Visitors

Roxanne Graham
William Loos
John Brereton
Cleon Butterfield
Robert McRae

Governor's Office of Economic Development
Attorney General's Office (via teleconference)
Afford. Housing Advisors (via teleconference)
Utah Housing Corporation
Utah State Board of Regents

WELCOME AND INTRODUCTIONS

The Private Activity Bond Authority (PAB) Board Meeting was held in Salt Lake City, Utah, at the Governor's Office of Economic Development and called to order at 9:06 a.m., by John T. Crandall, Acting Chairman. PAB Chairman, Christopher Conabee, asked to be excused due to illness.

APPROVAL OF MINUTES

Acting Chairman Crandall requested a motion to approve the minutes from the December 11, 2013, Board Meeting.

Kyle Kershaw moved and Richard Ellis seconded a motion to approve the minutes of the December 11, 2013, Board Meeting. The motion carried unanimously.

STATUS OF ACCOUNTS

Roxanne Graham reviewed the 2014 Volume Cap Accounting Summary with additional explanations about the Program's volume cap as outlined below:

- PAB runs on a calendar year basis.
- Utah's State Legislature by Code has determined what types of projects are eligible to receive cap and has also assigned a specific percentage of the total cap for each account. The accounts and percentages are:
 - Single Family – 42%
 - Student Loan – 33%
 - Multi-Family – 12%*
 - Manufacturing – 12%*
 - Qualified Redevelopment Projects – No percentage assigned.*
 - Exempt Facilities – 1%

* These accounts comprise the Small Issue Account.

PAB ACCOUNTING SUMMARY January 8, 2014

	2014 Allocation	2013 MF CF*
Starting Balance	\$ 296,825,000	\$ 50,000,000
Single Family	\$ 124,666,800	
Utah Housing Corp.	\$ 124,666,800	
Balance	\$ -	
Student Loan	\$ 97,952,250	
No applications		
Manufacturing Account	\$ 35,619,000	
No Applications		
Multi-Family Account	\$ 35,619,000	
Exempt Facility Account	\$ 2,968,250	
No applications		
Balance - All Accounts	\$ 172,158,200	\$ 50,000,000

* Developer must use UHC as the issuer to use this cap.

VOLUME CAP ALLOCATION REQUESTS

Single Family Account

Utah Housing Corporation (UHC), issuer of the Single Family Account requested \$124,666,500 total volume cap from the 2014 allocation.

Cleon Butterfield from UHC provided the Board with the following information:

- There are no new updates, than what has been provided in previous Board Meetings, on the different loan programs UHC offers for homebuyers.
- Total loan production at the end of 2013, was over \$520M, making it the biggest year ever for UHC by over \$100M.
- Over 65% of the 2013 loans were for first-time homebuyers, which met the criteria for tax-exempt production.
- Due to the expanded programs UHC offers, they were able to add conventional home loans as another option; whereas, in the past, they were limited to just FHA mortgages.
- Feedback from the lending community has been positive on the new programs UHC has implemented to help single family, first-time homebuyers.

Wayne Parker moved and Michael Jensen seconded a motion to approve the \$124,666,500 total volume cap allocation from the Single Family Account to Utah Housing Corporation. The motion carried unanimously.

OTHER BUSINESS AND ADJOURNMENT

Mr. Crandall invited Robert McRae, representing the Utah State Board of Regents to comment on the situation with the Student Loan Account.

Mr. McRae provided the following information:

- USBR is waiting for Congress to approve legislation that would move the facilitation of issuing student loans back to the State level from the Federal level. Until this happens, they cannot use their allocation of volume cap.
- USBR is still active in refinancing student loans, but they do not require tax-exemption.

Mr. Crandall thanked the Board for their time and participation in the meeting.

The next Private Activity Bond Authority Board Meeting is scheduled for Wednesday, April 9, 2014, at 9:00 a.m.

Submitted by:
Roxanne C. Graham