

PRIVATE ACTIVITY BOND AUTHORITY BOARD MEETING

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

MINUTES

Wednesday, January 14, 2015

Members Present

John T. Crandall (Chairman)
Richard K. Ellis
Grant S. Whitaker
David A. Feitz
Theresa A. Foxley
Jamie Davidson
Wayne Cushing
Bryan E. Thompson
Scott J. Bond
Ricky Hatch

Representing

Governor's Office of Economic Development
State Treasurer
Utah Housing Corporation
Utah State Board of Regents
Gov. Off. Econ. Dvlpmnt (via teleconference)
Orem City (via teleconference)
Salt Lake County
Utah County
Sandy City
Weber County

Excused Members

Wayne Parker

Provo City

Staff and Visitors

Roxanne Graham
John Brereton
Kyle Kershaw
Michael Jensen
Susan Eisenman
Michael Green
Jeff Van Hulten
Cleon Butterfield

Governor's Office of Economic Development
Affordable Housing Advisors
City of South Salt Lake
Tooele County
Attorney General's Office
Attorney General's Office
Governor's Office of Economic Development
Utah Housing Corporation (via teleconference)

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 9:03 a.m., by John T. Crandall, Chairman.

Mr. Crandall excused Wayne Parker who was attending a conference out of state.

Mr. Crandall announced an unscheduled Senate Confirmation Hearing was held in December, due to the high volume of items that could not wait until the regularly scheduled Hearing in February. Three PAB Board Member nominees, Scott J. Bond, Assistant Chief Administrative Officer for Sandy City, Bryan E. Thompson, County Clerk/Auditor for Utah County and Ricky Hatch, County Clerk/Auditor for Weber County were confirmed and appointed to start serving on the PAB Board as of December 17, 2014. Mr. Crandall welcomed the new Board Members and hoped they would enjoy

their time serving on the Board. Mr. Bond represents the Utah League of Cities and Towns. Mr. Thompson and Mr. Hatch represent the Utah Association of Counties.

With the new Board Member appointments, Michael Jensen and Kyle Kershaw will no longer be serving on the Board. Mr. Crandall thanked Mike and Kyle for their generosity of time and great service they have provided as Board Members. Mr. Jensen served over 4½ years on the Board and Mr. Kershaw almost 9 years.

Mr. Crandall welcomed a new representative from the Attorney General's Office, Michael Green. Mr. Green will be providing assistant to the PAB Board along with Susan Eisenman. Mr. Green provided the Board with his background, which includes knowledge of Real Estate.

APPROVAL OF MINUTES

Chairman Crandall requested a motion to approve the minutes from the December 8, 2014, PAB Board Meeting.

Several corrections were submitted by Board Members as follows:

- Dennis Yarrington's position is an Assessor, not Auditor.
- Page 5, 3rd bullet point, the word portiond, changed to portions.
- Page 5, last paragraph, 5th line, 1st word should be HFA (Housing Finance Authority) instead of FHA.
- Page 11, New UHEAA Student Loan Program Section, last paragraph, last sentence, change wording to: "No volume cap will be used in 2015, but UHEAA anticipates using its allocation in future years as program volume increases."

Richard Ellis moved and David Feitz seconded a motion to approve the minutes, as amended, of the December 8, 2014, PAB Board Meeting. The motion carried unanimously.

By way of information, Grant Whitaker informed the Board that at the UHC December Board Meeting, referenced in these minutes, the Board approved the tax credits for the Liberty Center project and also the authorization to issue the tax-exempt bonds.

STATUS OF ACCOUNTS

Roxanne Graham reviewed the Program's volume cap and Account Summary as outlined below with these comments:

- 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, percentages and dollar amounts are outlined below:

Allotment Account	Percentage	Dollar Amount
Single Family	42%	\$126,636,300
Student Loan	33%	\$ 99,499,950
Small Issue Account	24%	\$ 72,363,600
Multi-Family	12%	\$ 36,181,800
Manufacturing	12%	\$ 36,181,800
Exempt Facilities	1%	\$ 3,015,150
Totals	100%	\$ 301,515,000

PAB ACCOUNTING SUMMARY
January 14, 2015

	2015 Allocation
Starting Balance	\$ 301,515,000
Single Family	\$ 126,636,300
Utah Housing Corp.	\$ 126,636,300
Balance	\$ -
Student Loan	\$ 99,499,950
No applications	
Manufacturing Account	\$ 36,181,800
No Applications	
Multi-Family Account	\$ 36,181,800
Exempt Facility Account	\$ 3,015,150
No applications	
Balance - All Accounts	\$ 174,878,700

Roxanne also reviewed the volume cap process as it flows throughout the year going from the individual accounts to the Pool Account as the year progresses.

Chairman Crandall asked the Board Members to disseminate this information to their communities making them aware that volume cap is available for different types of projects.

VOLUME CAP ALLOCATION REQUESTS

Single Family Account

Utah Housing Corporation (UHC), issuer of the Single Family Account requested \$126,636,300 total volume cap from the 2015 allocation.

Grant Whitaker updated the Board with the following information:

- UHC issued \$172M in tax-exempt bonds in 2014.
- In January 2015, they will issue \$18M in bonds. With the amounts issued in the past year, UHC is projecting they can issue between \$250-\$300M in 2015 of tax-exempt financing.

- UHC has other types of financing that service low and moderate income families besides the first-time home buyers of the tax-exempt program. These loans are sold as mortgage backed securities to Fannie Mae or Ginnie Mae. Last year was the third year in a row that UHC issued more than \$600M in these types of loans.
- The current CarryForward amount of \$625M will take 2-3 years to issue.

Wayne Cushing moved and Ricky Hatch seconded a motion to approve the \$126,636,300 total volume cap allocation from the Single Family Account to Utah Housing Corporation. The motion carried unanimously.

PAB Administrative Rule Update

Jeff Van Hulten updated the Board on the progress of the PAB Administrative Rule. The rule has been finalized incorporating the comments from Board Members at the December Board Meeting and is ready for adoption.

Richard Ellis raised the following questions:

- Is the Rule broad enough to cover every kind of application under the PAB Program?
- When considering multiple application for funding, what is an equal share of available volume cap as stated in R357-9-4 (2)(b)?

Chairman Crandall responded to the first question stating that the Exempt Facility category incorporates all types of project; and, when rated as an application would fall under the same guidelines as the manufacturing facility application.

Susan Eisenman addressed the second question stating that the interpretation of the current language, as perceived by the public, would be that each application submitted would receive an equal share of available volume cap, which may not be the intention of the Board.

To ensure the Board has the flexibility to fund worthy projects, Grant Whitaker suggested the following language change to replace the second line of R357-9-4 (2)(b):

- “. . . the board may choose to award each applicant an equal share, pro rata share or other division of available volume cap determined by the Board . . .”

Chairman Crandall asked Grant if he wanted to formally make this change as a motion along with adoption of the PAB Administrative Rule, which he agreed to.

Grant Whitaker moved and Richard Ellis seconded a motion to adopt the PAB Administrative Rule with the following language change to replace the second line of R357-9-4 (2)(b): “. . . the board may choose to award each applicant an equal share, pro rata share or other division of available volume cap determined by the Board, . . .” The motion carried unanimously.

Chairman Crandall asked Jeff about the review of the Adjudicative Proceedings Rules that was brought to the Board’s attention in the December Board Meeting. Jeff responded with the following information:

- According to the PAB statute, the Board has the ability to do adjudicative proceedings for anyone who wants to appeal a denial or a decision of an application.
- The statute requires the Board to follow the adjudicative portion of the Administrative Rule Act.
- He has drafted language for these proceedings, but wants Susan Eisenman to review it before giving it to the Board.

Susan Eisenman outlined the two types of adjudicative proceedings, formal and informal, stating the procedures, involvement of the Board, etc., and advised the Board to adopt rules for informal adjudicative proceedings.

Since this item was not listed on the meeting agenda, Chairman Crandall stated this would be discussed at the next Board Meeting.

Other Business and Adjournment

A Retreat will be held after the next Board Meeting in April to further discuss different aspects of the PAB Program, e.g., Fee Schedule Policy, Program Budget, Extension Policy, etc., to name a few. To accommodate the Board Members' schedule the date of the Board Meeting was changed to Monday, April 13, 2015, starting at 11:30 a.m. The Board Retreat will start at the conclusion of the Board Meeting. Both meetings will be held at the Governor's Office of Economic Development.

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

The meeting adjourned at 9:54 a.m.

Submitted by:
Roxanne C. Graham