

# PRIVATE ACTIVITY BOND AUTHORITY BOARD MEETING

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

## MINUTES

Monday, January 25, 2016

### Members Present

John T. Crandall (Chairman)  
David Damschen  
Theresa A. Foxley  
Grant S. Whitaker  
David A. Feitz  
Scott J. Bond  
Bryan E. Thompson  
Wayne Parker (via teleconference)  
Ricky Hatch (via teleconference)  
Wayne Cushing

### Representing

Governor's Office of Economic Development  
State Treasurer  
Governor's Office of Economic Development  
Utah Housing Corporation  
Utah State Board of Regents  
Sandy City  
Utah County  
Provo City  
Weber County  
Salt Lake County

### Excused Members

Jamie Davidson

Orem City

### Staff and Visitors

Roxanne Graham  
John Brereton  
Michael Green  
Preston Olsen  
David Swanke  
Hooper Knowlton  
Sam Evans  
Jeff Nielson  
Corey Johnson  
Armando Alvarez  
Ben Logue  
Fred Olsen

Governor's Office of Economic Development  
Affordable Housing Advisors  
Attorney General's Office  
Ballard Spahr  
Utah Higher Education Assistance Authority  
Paladin Resources  
Wasatch Residential  
Wasatch Residential  
Wasatch Residential  
AHP Utah Assets  
LaPorte Group  
Cowboy Partners

## 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 2:00 p.m., by John T. Crandall, Chairman.

## APPROVAL OF MINUTES

Chairman Crandall requested a motion to approve the minutes from the January 13, 2016, Private Activity Bond Authority Board Meeting.

**Theresa Foxley moved and Bryan Thompson seconded a motion to approve the minutes of the January 13, 2016, Private Activity Bond Authority Board Meeting. The motion carried unanimously.**

## **ACTION ITEMS**

### **Private Activity Bond (PAB) Application Scoring Criteria and Matrix**

At the January 13, 2016, Board Meeting, Staff submitted to the Board revised changes to the application scoring criteria, which was previously approved in the December 2015, Board Meeting. Board Members wanted more time to review these changes and make additional recommendations.

Staff took the Board Members' recommendations and suggestions into account when making the final adjustments to the scoring criteria, which are as follows:

1. Weighting was given to each category. More weight was given to categories the Board considered of more importance for use with PAB, e.g., tax-exempt bonds per affordable unit, readiness, project costs efficiency, etc.
2. New category added – Project Costs Efficiency. Site and Direct Costs and Total Development Costs will be looked at on a per unit and per square foot basis. The purpose is to see that the bonds are used in the most efficient way possible.
3. Category deleted – Special Needs and Transitional Housing. Most bond projects use an Average Median Income (AMI) of 60%. Special needs and transitional housing are typically in the 25%-35% AMI range. These types of housing are better funded with the 9% LIHTC.

The Board discussed the suggested recommendations with the following suggestions and/or revisions:

1. In general, the recommended revisions from Staff in the categories, point values and weighting, were supported.
2. Weighting on the following criteria categories needs to be changed from 0 to 1: Underserved Locations, Mitigation and Acquisition/Rehabilitation/Historic Projects.
3. Item 7a, Community Involvement – Public Financing Source(s); maximum of five sources was changed to the following: The total amount of each financing source, up to a maximum of five sources, must equal at least  $\frac{1}{2}$  of 1% of the total project cost.
4. Weighting on Item 4, Experience was changed from 20 to 10.
5. The experience of the developer and how to determine that experience was discussed at great length. Many suggestions were given, such as: substantial interest in a general partnership, individual experience beyond company employment, e.g., length of project years, types of projects, etc., management team experience, company key officer, financial risk in the company and/or project, ownership, sub ownership or management ownership in prior deals, and 9% or 4% tax credit project experience. It was also suggested to list ownership as a separate line item. The final decision was to let Staff determine the experience of the individual or ownership that is applying as the applicant. This information will be added under this item on the scoring criteria.

6. One of the housing developers suggested that points be added for developing a project in a qualified census tract. The title of Item 8 was changed from "Mitigation" to "Difficult to Develop Areas." The subheadings under this section were changed to read as follows: A – Environmental Site Mitigation; B – Correction of Environmental Site Issues; and C – Development in Qualified Census Tract. The new subheading "C" had 55 points added for this category.

Chairman Crandall requested a motion to approve the scoring criteria.

**Theresa Foxley moved and Wayne Cushing seconded a motion to approve the Private Activity Bond Application Scoring Criteria and Matrix as presented with the changes as noted in Items 2-6 above. The motion carried unanimously.**

## **OTHER BUSINESS AND ADJOURNMENT**

### **Student Loan Account Volume Cap Transfer**

Chairman Crandall reported to the Board that Mike Green, from the AG's Office will have a definitive ruling at the April Board Meeting regarding the legality of transferring the Student Loan Account volume cap allocation to the Single Family Account with the designation of using it only for multi-family housing. David Feitz, representing the Utah State Board of Regents (USBR), issuer of the Student Loan Account, told the Board they would not be able to utilize any of their 2016 volume cap allocation. USBR would be willing to relinquish their allocation, transfer it to the Single Family Account and designate it for multi-family housing use only. Although the transfer is allowable by State statute, the question is whether they can stipulate that volume cap to be used only for multi-family housing projects to fulfill the anticipated need of future projects.

### **Ethics Act and Conflict of Interest Disclosure Information**

Roxanne Graham reminded those Board Members who have not filled out their "Disclosure Statement for the Private Activity Bond Authority Board" form to please do so as soon as possible and send them to her, so they can be forwarded to the AG's Office.

### **Next Meeting**

The next Board Meeting of the Private Activity Bond Authority Program is scheduled for Wednesday, April 13, 2016, at 9:00 a.m., 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 3:13 p.m.

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Submitted by:  
Roxanne C. Graham