

PRIVATE ACTIVITY BOND AUTHORITY BOARD MEETING

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

MINUTES

Tuesday, December 11, 2012

Members Present

Christopher M. Conabee (Chairman)
Richard K. Ellis
Grant S. Whitaker
Kyle Kershaw
Steve Rawlings
Lee Gardner
Michael Jensen
Wayne Parker
Wayne Cushing
Jamie Davidson

Representing

Governor's Office of Economic Development
State Treasurer
Utah Housing Corporation
City of South Salt Lake
Davis County
Salt Lake County
Tooele County
Provo City
Salt Lake County
Orem City

Excused Members

John T. Crandall

Governor's Office of Economic Development

Staff and Visitors

Roxanne Graham
Jenni Osman
John Brereton
William Loos
Mark Cornelius
Josh Cohen
Mark Cohen
Dave Miner
Richard Davis
Dave Feitz
Fred Olsen
Cleon Butterfield
Craig Hackett
David Schmidt

Governor's Office of Economic Development
Governor's Office of Economic Development
Affordable Housing Advisors
Attorney General's Office
Cowboy Partners
Housing Plus
Housing Plus
Municipal Bond Consulting, Inc.
Utah Higher Education Assistance Authority
Utah Higher Education Assistance Authority
Ballard Spahr
Utah Housing Corporation
Bonneville MF Capital
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 2:00 p.m., by Christopher M. Conabee, Chairman. Mr. Conabee announced Steve Rawlings was retiring from the PAB Board after 13 years of service representing the Utah Association of Counties. He thanked Steve for the many years of service he has given as a Board Member.

Mr. Conabee welcomed two new Board members: 1) Wayne Cushing, Salt Lake County Treasurer, representing the Utah Association of Counties, replacing Steve Rawlings; and 2) Jamie Davidson, Assistant City Manager for Orem City, representing the Utah League of Cities and Towns, replacing Tom Hardy.

APPROVAL OF MINUTES

Chairman Conabee requested a motion to approve the minutes from the October 10, 2012, Board Meeting.

Grant Whitaker moved and Richard Ellis seconded a motion to approve the minutes of October 10, 2012. The motion carried unanimously.

STATUS OF ACCOUNTS

Chairman Conabee reviewed the Accounting Summary of the 2012 Volume Cap as shown below.

**PAB ACCOUNTING SUMMARY
December 11, 2012**

	Pool Account
Starting Balance	\$ 126,036,800
Relinquishment	
Liberty Village	\$ 19,000,000
Broadway-Heritage	\$ 3,430,000
Unused Cap	
Beacon Hills	\$ 200,000
Request	
Canyon Crossing	\$ 21,000,000
Remaining Balance	\$ 127,666,800
Unallocated Cap Request	
UHC - 100%	\$ 127,666,800

VOLUME CAP FOR 2013

The volume cap allocation award received for 2013 was reviewed. There is a slight increase in the total amount from 2012; \$284,560,000 to \$291,875,000, a difference of \$7,315,000.

Allotment Account	Percentage	Dollar Amount
Single Family	42%	\$122,587,500
Student Loan	33%	\$ 96,318,750
Small Issue Account	24%	\$ 70,050,000
Multi-Family	12%	\$35,025,000
Manufacturing	12%	\$35,025,000
Exempt Facilities	1%	\$ 2,918,750
Totals	100%	\$291,875,000

VOLUME CAP RELINQUISHMENTS

Liberty Village Apartments

Liberty Village Apartments relinquished their volume cap allocation of \$19,000,000.

Mark Cornelius, partner from Cowboy Partners, informed the Board they ran into a couple of issues that did not give them enough time to close their bonds before the end of the year. He did state that they will reapply for a new allocation at the January 9, 2013, PAB Board Meeting. When they originally bid out the project, costs were 6%-7% lower than what they are currently seeing, indicating that the economy is rising. Due to the increased costs in materials they will be asking for more volume cap in their resubmission. If approved for new funding they are currently set to close the third week of January.

As a note of interest, Cowboy Partners has been asked by three municipalities across the Wasatch Front to help redevelop their downtown areas next year. They plan to come back to the PAB Board for funding assistance totaling at least \$50M for these projects.

Broadway-Heritage Apartments

Broadway-Heritage Apartments relinquished their volume cap allocation of \$3,430,000.

A representative from the project was not in attendance; however, a letter submitted from Kevin Peterson, developer of the project, explaining his reasons for relinquishing the volume cap was read by the Chair to the PAB Board and Staff.

The Partnership has acquired additional property within the project area, which will be used to: 1) expand the development of the project, adding up to 40 additional affordable units; and 2) rehab the commercial businesses on this property. This will change the scope of the project and will necessitate the submission of a new application, which they plan to do in the April 2013, Board Meeting.

VOLUME CAP ALLOCATION REQUESTS

Canyon Crossing at Riverwalk

Canyon Crossing at Riverwalk requested a \$21,000,000 volume cap allocation from the Pool Account for the project developed by Housing Plus, located in Midvale, Utah.

Canyon Crossing at Riverwalk is part of a larger development project in the area. The entire project consists of offices, condominiums, single, multi-family and duplex housing units, retail and restaurant facilities and public transportation. Midvale's Master Planned Development governs the entire development. This site is presently one of the best developing master planned community in the County.

The project is targeted to large families, mainly 3- and 4-bedroom units in a central location in the valley with lots of amenities close by. All units will be for households earning 60% of the County's AMI.

One of the unique features of the project is the use of geothermal heating and cooling. This feature along with EnergyStar appliances will substantially reduce costs to the tenant for these utilities. This development is also being built to be a certified Enterprise Green Community from the architectural design and landscaping to the management of waste and recycling.

The project is currently being evaluated at the HUD Office in efforts to secure financial backing. Plans are to close the bonds in early spring and begin construction in June.

As part of the Board's discussion, Grant Whitaker noted there was an incorrect statement on the Executive Summary regarding the limitation of Low Income Housing Tax Credits (LIHTC) awarded for 4% tax-exempt bond projects. There is no cap on the amount of tax credits for 4% projects; however, the applicant must show the need for the amount applied for. Also, the total amount of tax credits may be reduced during the cost certification process.

Chairman Conabee asked Grant if he would please write a letter to the PAB Staff clarifying this issue on Low Income Housing Tax Credits as it relates to 4% tax-exempt bond projects.

MOTION: Lee Gardner moved and Michael Jensen seconded a motion to approve an allocation of \$21,000,000 to Housing Plus. The motion carried unanimously.

REMAINING UNALLOCATED BALANCE

Chairman Conabee gave a brief update on the remaining unallocated volume cap for 2012. The remaining balance is \$127,666,800.

Single Family Account – Utah Housing Corporation

Utah Housing Corporation, representing the Single Family Account applied to receive any remaining unallocated cap.

Grant Whitaker, speaking on behalf of UHC, requested that \$75M of the remaining volume cap be earmarked for multi-family housing projects with the remainder used for single family housing. He added that if the entire amount was put into the Single Family Account this would put their total CarryForward allocation over \$500M. If the designated cap is not utilized for multi-family projects by the end of 2013, any remaining balance will be transferred to the Single Family Account.

Wayne Parker moved and Lee Gardner seconded a motion to allocate \$75,000,000 from the remaining volume cap balance of \$127,666,800 to the Single Family Account to be used for Multi-Family Housing projects during 2013, with the condition that any cap not used for this purpose will be transferred back for Single Family Housing use. The motion carried unanimously.

Richard Ellis moved and Lee Gardner seconded a motion to approve \$52,666,800 from the remaining volume cap balance of \$127,666,800 to the Single Family Account to be used for Single Family Housing. The motion carried unanimously.

Staff will review balance figures with Ballard Spahr before issuing certificates.

VOLUME CAP CARRYFORWARD REQUESTS

Utah Housing Corporation

Utah Housing Corporation, issuer for the Single Family Account, requested to carryforward \$119,515,200 from their original 2012 volume cap allocation and \$127,666,800 from the 2012 unallocated volume cap balance (total \$247,182,000).

Kyle Kershaw moved and Richard Ellis seconded a motion to carryforward \$247,182,000 from the 2012 Single Family Account. The motion carried unanimously.

OPEN AND PUBLIC MEETINGS ACT TRAINING

William Loos, representative from the Attorney General's Office, gave a presentation on the Open and Public Meetings Act and the Utah Public Officers' and Employees' Ethics Act. He noted that every meeting dealing with public matters is open to the public. The only time a meeting can be held privately is when operational and administrative matters are discussed. Each public meeting must be posted on the Utah Public Notice website at least 24 hours prior to the meeting. Written minutes of the meeting and recordings must be kept on file. Under the Utah Public Officers' and Employees' Ethics Act a Board Member may not use or attempt to use his official position to substantially further the public officer's economic interests. A Board Member must also not disclose any protected or controlled information that he or she has gained through their position as a Board Member.

OTHER BUSINESS AND ADJOURNMENT

Chairman Conabee thanked the Board for their participation in the meeting and especially to William Loos for his presentation.

The next Board Meeting is scheduled for Wednesday, January 9, 2013, at 9:00 a.m.

The meeting adjourned at 3:03 p.m.

Submitted by:
Jenni Osman