



Utah Housing Corporation

Special Board Meeting

February 12, 2024

Utah Housing Corporation

2479 Lake Park Blvd

West Valley City, UT 84120

**NOTICE OF SPECIAL MEETING
UTAH HOUSING CORPORATION
FEBRUARY 12, 2024**

PUBLIC NOTICE is hereby given that Utah Housing Corporation (UHC) will hold a SPECIAL Meeting commencing at 3:00 p.m. Monday, February 12, 2024.

Trustees of UHC will participate via video conference originated by the President. Within the meanings accorded by Utah law, the Meeting shall be an Electronic Meeting, and the Anchor Location shall be the UHC Offices at 2479 South Lake Park Blvd., West Valley City, Utah. In compliance with the Americans with Disabilities Act, persons requesting special accommodations during the meeting should notify UHC not less than 24 hours prior to the meeting.

To join the meeting via Zoom, please go to

<https://us02web.zoom.us/j/85399815164?pwd=RSfTcktJUjlCTmpsUEs0amJLUk9NQOT09>

The agenda will be substantially as follows:

1. Disclosure of Trustees' Interests
2. Resolution 2024-08, Reservation of Federal 4% Housing Tax Credits
3. Resolution 2024-09, Authorizing the Borrowing Capacity of Confluence Cottages, LLC

UTAH HOUSING CORPORATION



David C. Damschen
President & CEO

Utah Housing Corporation
Board of Trustees Disclosures of Interest
As Of: February 12, 2024

Name of Trustee	Nature of Interest or Potential Interest
Patricia Sheffield (<i>chair</i>)	Presently retired from any employment and has no interests in any transactions with the Corporation.
Annette Lowder (<i>vice chair</i>)	Presently serving as Chief Operations Officer (COO) of InterCap Lending, Inc., a mortgage lender doing business in the state of Utah. InterCap Lending may originate mortgage loans for sale to the Corporation under its programs.
Jonathan Hardy	Presently serves as a consultant on affordable housing projects for BCG Holdings and its related real estate entities. This may include the application and management of projects that may seek and obtain low income housing tax credits and tax exempt bond financing from the Corporation. Current projects allocated include Victory Heights and Silos Affordable.
Jessica Norie	Presently serving as President of Artspace, a nonprofit which creates affordable live and work space to revitalize and promote stable, vibrant and safe communities. Artspace may be involved in the use of low income housing tax credits and tax exempt bond financing for affordable housing, and may manage housing or develop housing under the Corporation's programs.
Rob Allphin	Presently serving as an Executive Vice President of Momentum Loans, a mortgage lender doing business in the state of Utah. Momentum Loans may originate mortgage loans for sale to the Corporation under the Corporation's program.
Lori Fleming	Presently serving as an Associate Broker with Golden Spike Realty. Golden Spike Realty may be involved in real estate transactions that use mortgage loans under the Corporation's programs, and may serve as a marketing agent for various properties owned by the Corporation.
Kirt Slaugh (<i>designee of ex-officio</i>)	Presently serving as the Chief Deputy Treasurer for the State of Utah and has no interests in any transactions with the Corporation.
Darryle Rude (<i>ex-officio</i>)	Presently serving as the Commissioner of Financial Institutions for the State of Utah and has no interests in any transactions with the Corporation.
Rebecca Banner (<i>designee of ex-officio</i>)	Presently serving as the Deputy Director at the Utah Department of Workforce Services. The Department of Workforce services oversees the Olene Walker Housing Loan Fund, Private Activity Bond Review Board, Community Impact Board, and the Community Development Block Grant. Projects from these funds support the development of affordable housing utilizing federal and state funding sources.

M E M O R A N D U M

To: UHC Trustees
From: David C. Damschen
President
Date: February 12, 2024
Subject: Resolution 2024-08 Reservation of Federal 4% Housing Tax Credits

Recommendation for Reservation of Credits:

Following extensive staff review and analysis, the President recommends that the Trustees adopt Resolution 2024-08 which:

- 1) Reserves **Federal 4%** 2024 Housing Tax Credits in the amount and to the project identified in Exhibit A to Resolution 2024-08, subject to any conditions, modifications, or clarifications therein. These credits are not subject to competition and are generally available to projects that use Private Activity Bonds to provide funding for the project.

Background

UHC is designated by the Utah Code to be the State's Housing Tax Credit allocator with respect to both Federal and State of Utah Housing Tax Credits. Credits are allocated in accordance with the Qualified Allocation Plan ("QAP") established in accordance with Federal and State Code.

One conforming application was submitted to UHC for 4% non-competitive Federal Credits for a project that was awarded Private Activity Bonds on January 10, 2024.

The QAP establishes, among other things: (i) selection criteria to be used to determine housing priorities appropriate to local conditions; and (ii) procedures for monitoring and reporting compliance with the program.

Furthermore, approval of this Resolution:

- (1) Reserves, with conditions, Federal and State Housing Tax Credits for the recommended projects and authorizes the President to take specific action necessary to complete the allocation of such credits within the scope and criteria of the QAP, Federal and State Code;
- (2) Authorizes the President to collect all fees, bonds, and deposits established by the QAP; and
- (3) Authorizes the President to make alterations, modifications and revisions to program documents as necessary to further the goals and purposes of the Housing Tax Credit Program.

RESOLUTION NO. 2024-08

A RESOLUTION OF THE UTAH HOUSING CORPORATION RESERVING FEDERAL HOUSING TAX CREDITS

WHEREAS, the Legislature of the State of Utah, at its 1975 regular session, adopted Chapter 190, Laws of Utah, 1975, currently known and cited as the Utah Housing Corporation Act, which has been codified as Title 63H, Chapter 8, Utah Code Annotated 1953, as amended (the “Act”); and

WHEREAS, there was created by the Act, an independent body politic and corporate constituting a public corporation, currently known and identified as “Utah Housing Corporation” (the “UHC”), to serve a public purpose and to act for the public benefit by improving the health, safety and welfare of the citizens of the State of Utah; and

WHEREAS, a public purpose of UHC is to provide decent, safe and sanitary residential housing to low and moderate income person; and

WHEREAS, UHC is designated by the Act to be the State's “Housing Credit Agency” within the meaning of 26 U.S.C. Sec. 42 (the “Federal Code”); and

WHEREAS, UHC adopted and amended a Qualified Allocation Plan (the “Allocation Plan”) and the Governor of Utah approved such amended Allocation Plan in accordance with the Federal Code; and

WHEREAS, in furtherance of the goals and purposes of UHC’s Housing Credit Program, UHC accepted and evaluated an application for the reservation of Federal Tax Credits in accordance with the Allocation Plan; and

WHEREAS, the staff of UHC have reviewed the application for Federal Tax Credits and Trustees are satisfied that reserving credits for the project indicated in Exhibit A attached hereto and incorporated herein will further the goals and purposes of UHC’s Housing Credit Program.

NOW, THEREFORE, BE IT RESOLVED BY THE UTAH HOUSING CORPORATION, AS FOLLOWS:

Section 1. All actions previously taken (not inconsistent with the provisions of this resolution) by UHC and by the officers of UHC directed toward the reservation and allocation of Federal Tax credits are hereby ratified and approved.

Section 2. Words used in the foregoing recitals shall have the same meanings when used in the body of this resolution.

Section 3. If any provisions of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

Section 4. Federal Tax Credits are conditionally reserved in the amounts and for the project so identified in Exhibit A, subject to any conditions, modifications or clarifications set forth therein or in the minutes of UHC and the President is authorized to execute and deliver notices of the said conditional reservation to the owners of these projects.

Section 5. The President is authorized to issue IRS Forms 8609 to the owners of the project receiving Federal Tax Credits and to execute all documents required therefore, upon the project's satisfaction of requirements set forth in the Federal Code and the Allocation Plan.

Section 6. The President is authorized to collect all fees, bonds, and deposits established by the Allocation Plan.

Section 7. The President is authorized to approve any additional terms, provisions, alterations, changes or additions in any document herein authorized and approved which may be necessary or appropriate and which are not inconsistent with the provisions of the Allocation Plan, this resolution, the UHC governing act and the rules and bylaws of UHC.

Section 8. Except as otherwise disclosed to the trustees of the Board of UHC prior to the adoption of this resolution, no trustee or employee of UHC has any interest, direct or indirect, in the transactions contemplated by UHC hereunder.

Section 9. All resolutions of UHC or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 10. This resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED BY THE UTAH HOUSING CORPORATION THIS 12TH
DAY OF FEBRUARY, 2024.**

(SEAL)

Chair

ATTEST:

President

UTAH HOUSING CORPORATION
RESOLUTION 2024-08

EXHIBIT A

General:

This is a non-competitive round for credit year 2024, and is available for applicants of Federal 4% Housing Tax Credits.

All reservations made herein, are made with the following General Conditions, notwithstanding certain Specific Conditions that may be made on individual projects, as enumerated in the Notes.

General Conditions:

- (1) The IRS Code requires that projects are subject to ongoing reviews which may result in downward adjustments of tax credits for changes in: final cost of units, efficiency of production, cash flow, grants and subsidies, financial "gap", etc.*
- (2) All reservations subject to representations made in the application.*
- (3) All reservations subject to all open legal, operational and financial issues.*

1. Reserve \$975,418 of Federal 4% (non-competitive) Tax Credits to the following Tax-Exempt Bond project(s):

The President recommends reserving \$975,418 of federal credits for the following project(s):

<u>Project Name</u>	<u>LI/Market Units</u>	<u>City</u>	<u>County</u>	<u>Credit Amount</u>	<u>Notes</u>
The Salvation Army Ogden Silvercrest Residence	52/0	Ogden	Weber	\$975,418	<i>a</i>

Total Units: 52/0

Total Amount: \$975,418

Note a: This project received an award of tax-exempt volume cap from the Private Activity Bond Board on January 10, 2024.

MEMORANDUM

To: UHC Trustees

From: David C. Damschen
President

Date: February 12, 2024

Subject: Resolution 2024-09, Authorizing the Borrowing Capacity of Confluence Cottages, LLC

RECOMMENDATION:

It is recommended that the Trustees adopt Resolution 2024-09, authorizing the borrowing capacity of Confluence Cottages, LLC of an amount not to exceed \$4,995,000. In approving this resolution, UHC will permit the following to be accomplished:

- Construction of 24, single family detached units available for rent as workforce housing to individuals and families.
- Provision of construction capital from UHC's balance sheet of up to \$4,995,000.
- Employ Utahns in the construction trades and related industries.

BACKGROUND:

UHC has entered into a Development Agreement with the Moab Area Community Land Trust to develop 24 units of workforce rental cottages on a 2.59 acre parcel, known as the Confluence Cottages, within the Arroyo Crossing development in Moab, Utah. The cottages will be affordable to households earning between 80% and 120% area median income.

Arroyo Crossing is a land trust development that will provide approximately 300 units of for sale and rental housing when completed, including a variety of housing types, affordable to households between 30% and 120% of area median income. The Confluence Cottages will be developed in partnership with the Housing Authority of Southeastern Utah ("HASU"), a housing authority based in Moab.

UHC created the Confluence Cottages, LLC (the "LLC"), a single asset ownership entity, to develop and own the project. Currently, UHC is the sole member and the Managing Member of the LLC. A 24-month construction loan to the LLC will be provided from UHC's Housing Development Lending Facility ("HDLF"). UHC's Multifamily Finance and Development department will manage the entire development and construction process. HDLF loan documents require a resolution from the borrower evidencing authorization to borrow.

Upon completion of construction and lease-up stabilization with households qualified by HASU, HASU will replace UHC as the sole member of Confluence Cottages, LLC and will obtain a permanent loan which will repay the construction loan. HASU will operate the project as the property manager.

The initial request for borrowing capacity was \$4,540,804. In order to allow for cost overruns, the recommended not-to-exceed amount is \$4,995,000.

RESOLUTION NO 2024-09

A RESOLUTION OF UTAH HOUSING CORPORATION AS THE MEMBER AND MANAGER OF CONFLUENCE COTTAGES, LLC AUTHORIZING THE BORROWING UNDER THE HOUSING DEVELOPMENT LENDING FACILITY IN AN AMOUNT NOT TO EXCEED \$4,995,000.

WHEREAS, the Legislature of the State of Utah, at its 1975 regular session, adopted Chapter 190, Laws of Utah, 1975, currently known and cited as the Utah Housing Corporation Act, which has been codified as Title 63H, Chapter 8, Utah Code Annotated 1953, as amended (the “Act”); and

WHEREAS, there was created by the Act, an independent body politic and corporate constituting a public corporation, currently known and identified as “Utah Housing Corporation” (the “UHC”), to serve a public purpose and to act for the public benefit by improving the health, safety and welfare of the citizens of the State of Utah; and

WHEREAS, a public purpose of UHC is to provide decent, safe and sanitary residential housing to low and moderate income person; and

WHEREAS, UHC has entered into a Development Agreement with the Moab Area Community Land Trust to develop 24 units of workforce rental housing, commonly known as the Confluence Cottages (the “Project”);

WHEREAS, UHC created CONFLUENCE COTTAGES, LLC, a Utah limited liability company (“Borrower”) to develop the Project;

WHEREAS, UHC is the sole Member and Manager of Borrower;

WHEREAS, Borrower desires to enter into a Construction Loan Agreement (“Loan Agreement”) with UHC, whereby UHC will agree to loan to Borrower the original principal amount not to exceed of \$4,995,000 under the Loan Agreement (“Loan”) (capitalized terms not otherwise defined herein have the meaning assigned to them in the Loan Documents, as that term is defined in the Loan Agreement), with such loan being made from the UHC Housing Development Lending Facility, with such Loan to mature on or before February 1, 2026 at a fixed interest rate not to exceed 3.5%;

WHEREAS, UHC is requiring that the Loan be secured by certain collateral as more particularly described in the Loan Documents, including, without limitation, as related to that certain Property subject to the Deed of Trust (the “Collateral”);

WHEREAS, UHC desires to approve the Loan, including all Loan Documents as described above and to authorize Borrower to take such action as shall be necessary or appropriate to obtain the Loan, pledge the Collateral for repayment of the Loan, execute the Loan Documents, and receive advances on the Loan; and

WHEREAS, UHC desires to authorize the Authorized Persons (defined below) of Borrower, to sign all documents to accomplish the Loan on behalf of Borrower.

NOW, THEREFORE, BE IT RESOLVED BY UHC, AS FOLLOWS:

1. The Authorized Persons are authorized to enter into the Loan on behalf of Borrower, and in such capacity, is authorized, directed and empowered to take, on behalf of Borrower, any and all actions necessary to execute and/or deliver to UHC, or its designee, the Loan Agreement and each other Loan Document, and any and all other documents evidencing, creating, governing or securing the Loan or to be executed and/or delivered to UHC, and to obtain periodic advances, all as may be required by UHC in connection with the Loan.

2. The Authorized Persons are authorized and directed to do and cause to be done, from time to time, all things which may be necessary or proper in order to carry out the terms of the foregoing resolutions with respect to Borrower, or to cause the performance by Borrower of its obligations under each Loan Document.

3. All actions previously taken (not inconsistent with the provisions of this resolution) by UHC and by the officers of UHC directed toward the transactions contemplated hereunder are hereby ratified and approved.

4. The following named individuals, acting individually, have been authorized to execute the Loan Documents and any and all other documents required by Borrower to accomplish the Loan (the "Authorized Persons" and each an "Authorized Person"):

<u>Name</u>	<u>Title</u>
David Damschen	President, CEO and Authorized Person of the Manager of Borrower
Jonathan A. Hanks	Senior Vice President, COO and Authorized Person of the Manager of Borrower

5. Words used in the foregoing recitals shall have the same meanings when used in the body of this resolution.

6. If any provision of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

7. Except as otherwise disclosed to the trustees of the Board of UHC prior to the adoption of this resolution, no trustee or employee of UHC has any interest, direct or indirect, in the transactions contemplated by UHC herein.

8. All resolutions of UHC or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

9. This resolution shall become effective immediately upon its adoption.

[Signature Page Follows]

PASSED AND APPROVED BY UTAH HOUSING CORPORATION ON FEBRUARY
12TH, 2024.

Chair

(SEAL)

ATTEST:

President