

UTAH HOUSING CORPORATION
Minutes of Regular Meeting
October 29, 2015

PARTICIPANTS

Trustees:

Kay Ashton, Chair
Lerron Little, Vice Chair
Edward Leary, Trustee
Robert Majka, Trustee
Mark Cohen, Trustee
Richard Ellis, Trustee
Cate Burrows, Trustee

Staff:

Grant Whitaker, UHC President and CEO
Cleon Butterfield, UHC Senior Vice President and CFO
Jonathan Hanks, UHC Senior Vice President and COO
Claudia O'Grady, UHC Vice President Multifamily Finance
Chad Moore, UHC Controller
Jeff Parrish, Executive Assistant

Guests:

Fred Olsen	Ballard Spahr
Preston Olsen	Ballard Spahr
Emma Gilchrest	Deloitte
Chase Jensen	Deloitte

Trustees of the Utah Housing Corporation (UHC or Utah Housing) and UHC staff met in a Regular Meeting on October 29, 2015, at 1:30 PM MDT via teleconference and in person at the offices of Utah Housing Corporation, 2479 S Lake Park Blvd, West Valley City, UT.

The meeting was called to order by Chair, Kay Ashton. The Chair then determined for the record that a quorum of Trustees was present, as follows:

Kay Ashton, Chair
Ed Leary, Trustee
Lerron Little, Vice Chair (via teleconference)
Robert Majka, Trustee
Mark Cohen, Trustee (via teleconference)
Cate Burrows, Trustee (via teleconference)
Richard Ellis, Trustee

The Chair excused the following Trustees:

Lucy Delgadillo, Trustee
Jon Pierpont, Trustee

The Vice Chair introduced President and CEO, Grant Whitaker, and announced that he would be taking the Trustees through the Board Packet.

Grant S. Whitaker, President of Utah Housing, then reported that the Notice of the Regular Meeting was given to all Trustees of Utah Housing and that material addressing the agenda items had been distributed to the Trustees in advance of the meeting.

Mr. Whitaker then acknowledged a Verification of Giving Notice, evidencing the giving of not less than 24 hours public notice of the date, time, place and summary of agenda of the Utah Housing Corporation Special Meeting in compliance with the requirements of the Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended; together with the form of Notice of Special Meeting referred to therein; and also the required public notice of the 2015 Annual Meeting Schedule of Utah Housing will be entered into the Minutes.

The Vice Chair called for the first agenda item.

1. Approval of the Minutes of August 27, 2015, Regular Meeting

The Trustees had been provided with a copy of the written minutes of the August 27, 2015 Regular Meeting in their board packets. The Trustees acknowledged they had sufficient time to review these minutes. Mr. Ashton asked for any discussion on the August 27, 2015, minutes as presented.

Following any discussion, the Chair called for a motion.

**MOTION: TO APPROVE THE WRITTEN MINUTES OF THE
REGULAR MEETING OF AUGUST 27, 2015.**

Made by: Richard Ellis
Seconded by: Ed Leary
Vote: Unanimous Approval

The Chair called for the next agenda item.

2. Report of Audit Committee: Presentation by Deloitte

Mr. Ashton asked Trustee Richard Ellis, Chair of the Audit Committee, to begin discussion.

Mr. Ellis reported that the audit committee, consisting of Ed Leary, Bob Majka and himself, along with staff met before the Board meeting in the UHC offices. Deloitte was represented by Emma Gilchrist and Chase Jensen. Mr. Ellis noted that the audit went well and the opinions are clean. He asked Ms. Gilchrist to report on the audit.

Ms. Gilchrist reported that they issued unqualified opinions on the financial statements, they issued opinions on the controls, and clean opinions on the Ginnie Mae audit, the USAP compliance requirements and the Yellow Book compliance requirements. She said there were no significant deficiencies or material weaknesses and they received full cooperation from management and staff. She summed it up as a very successful audit.

Mr. Ellis described how the audit committee met privately with the auditors without any staff present, and he said that the committee received a very positive report. He commended Chad Moore, UHC Controller, and all the other accounting staff involved in the audit. He noted that the return of Emma and Deloitte made the audit successful, despite it being a relatively complex audit to perform because of the type of business UHC is involved in. He said one topic that came from the private meeting was the review of the audit committee's responsibilities regarding the trend in the corporate world regarding cyber security. He said Deloitte would be sending out some white papers they have prepared regarding this issue, and he suggested we should evaluate whether periodic testing and engagement of hired hackers may be advisable.

Cleon Butterfield expressed appreciation to the accounting staff for their diligence, hard work and timely preparation of the financials. He complimented Deloitte for the work on the audit, cooperation they showed and the timeliness of their completion.

Mr. Whitaker stated that Utah Housing has appreciated the high quality work, professionalism, and the good relationship with everyone from Deloitte who worked on the account. He noted that Deloitte has the depth of resources to understand the complex transactions of Utah Housing Corporation. He noted that this was the sixth year the audit was done by Deloitte and the first year of the new 5 year contract. We look forward to several more years of working with Deloitte. He acknowledged Mr. Butterfield, Mr. Moore, and the entire staff of the Financial Services Department, stating that they did a stellar job getting everything ready for an on time report this year.

Mr. Ashton thanked everyone and then concluded that the audit reports are informational for the Board so there is no vote or approval required.

The Chair called for the next agenda item.

3. Resolution 2015-14, Amending Administrative Rules

**A RESOLUTION OF THE UTAH HOUSING CORPORATION
AMENDING ITS ADMINISTRATIVE RULES; AND RELATED MATTERS**

Mr. Whitaker introduced Resolution 2015-14 which amends Utah Housing Corporation's ("UHC") Administrative Rules to reflect changes recently made in the Utah Code and other program-related changes, including the methodology used to set income and purchase price limits. Any amendments to the UHC administrative rules must be adopted according to the procedures outlined in the Utah Administrative Rulemaking Act ("the Act").

Mr. Whitaker recommended that Resolution 2015-12 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

Motion: TO APPROVE RESOLUTION 2015-14 OF UTAH HOUSING CORPORATION AMENDING ITS ADMINISTRATIVE RULES

Made by: Robert Majka
Seconded by: Edward Leary

Mr. Ashton asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Richard Ellis	No interest to disclose
Edward Leary	No interest to disclose
Cate Burrows	Yes, as filed with UHC
Lerron Little	Yes, as filed with UHC
Mark Cohen	Yes, as filed with UHC
Robert Majka	No interest to disclose
Kay Ashton	Yes, as filed with UHC

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

The Chair stated that the board would address Resolution 2015-21 as the next agenda item. Richard Ellis may need to leave before the end of the meeting and his presence and commentary are important to include as this item is discussed.

4. Resolution 2015-21, Authorizing the sale of Single Family Mortgage Bonds, 2015 Series D, to restructure existing bond issues

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY MORTGAGE BONDS IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000; AUTHORIZING THE EXECUTION OF SERIES INDENTURES, A BOND PURCHASE CONTRACT, AN OFFICIAL STATEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF A CREDIT FACILITY WITH BARCLAYS CAPITAL INC. AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF

**THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION;
AND RELATED MATTERS.**

Mr. Whitaker introduced Resolution 2015-21

Mr. Whitaker recommended that Resolution 2015-21 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

Motion: TO APPROVE RESOLUTION 2015-21 OF UTAH HOUSING CORPORATION AUTHORIZING THE SALE OF SINGLE FAMILY MORTGAGE BONDS, 2015 SERIES D, TO RESTRUCTURE EXISTING BOND ISSUES

**Made by: Robert Majka
Seconded by: Richard Ellis**

Mr. Ashton asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Richard Ellis	No interest to disclose
Edward Leary	No interest to disclose
Cate Burrows	Yes, as filed with UHC
Lerron Little	Yes, as filed with UHC
Mark Cohen	Yes, as filed with UHC
Robert Majka	No interest to disclose
Kay Ashton	Yes, as filed with UHC

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

The Chair called for the next agenda item.

5. Resolution 2015-15, Modifications to Office Facilities

**A RESOLUTION OF THE UTAH HOUSING CORPORATION
AUTHORIZING THE ENGAGEMENT OF PROFESSIONALS AND
APPROVING THE EXPENDITURE OF UHC FUNDS IN ORDER TO
DESIGN, MODIFY AND FURNISH ITS OFFICE FACILITIES.**

Mr. Whitaker introduced Resolution 2015-15, stating that it is recommended that the Trustees adopt Resolution 2015-15 authorizing the President to enter into agreements and expend funds to design, modify, and furnish UHC's building to accommodate the growth of its staff and to resolve certain inefficiencies and inadequacies.

Mr. Whitaker recommended that Resolution 2015-15 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

**Motion: APPROVE RESOLUTION 2015-15, AUTHORIZING THE
ENGAGEMENT OF PROFESSIONALS AND
APPROVING THE EXPENDITURE OF UHC FUNDS IN
ORDER TO DESIGN, MODIFY AND FURNISH ITS
OFFICE FACILITIES.**

**Made by: Ed Leary
Seconded by: Robert Majka**

Mr. Ashton noted that this resolution is an administrative item for which there would not be any potential conflicts of interest, thus he would suspend calling for conflicts as is usually done.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

The Chair called for the next agenda item.

**6. Resolution 2015-16, Authorizing the Issuance of Single Family Tax-Exempt MBS
Backed Securities not to exceed \$75,000,000**

**A RESOLUTION OF UTAH HOUSING CORPORATION ("UHC")
AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY
TAX-EXEMPT MBS BACKED SECURITIES; AUTHORIZING THE
EXECUTION OF GENERAL AND SERIES INDENTURES, MORTGAGE
PURCHASE AGREEMENTS, DISCLOSURE STATEMENTS, MASTER
SECURITIES FORWARD TRANSACTIONS AGREEMENTS, BOND
PURCHASE AGREEMENTS AND OTHER DOCUMENTS REQUIRED**

IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

Mr. Whitaker introduced Resolution 2015-16

Mr. Whitaker recommended that Resolution 2015-16 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

Motion: TO APPROVE RESOLUTION 2015-16 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY TAX-EXEMPT MBS BACKED SECURITIES

Made by: Lerron Little
Seconded by: Richard Ellis

Mr. Ashton asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Richard Ellis	No interest to disclose
Edward Leary	No interest to disclose
Cate Burrows	Yes, as filed with UHC
Lerron Little	Yes, as filed with UHC
Mark Cohen	Yes, as filed with UHC
Robert Majka	No interest to disclose
Kay Ashton	Yes, as filed with UHC

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

The Chair called for the next agenda item.

7. Resolution 2015-17, Authorizing the issuance of an additional amount not to exceed \$150,000,000 Ginnie Mae MBS

A RESOLUTION OF UTAH HOUSING CORPORATION AUTHORIZING THE PURCHASE OF NOT TO EXCEED \$150,000,000 OF SINGLE FAMILY MORTGAGE LOANS, THE EXCHANGE OF SUCH MORTGAGE LOANS FOR GINNIE MAE MORTGAGE-BACKED SECURITIES, THE SALE OF SUCH GINNIE MAE MORTGAGE-BACKED SECURITIES AND AUTHORIZING ALL DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Mr. Whitaker introduced Resolution 2015-17

Mr. Whitaker recommended that Resolution 2015-17 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

Motion: TO APPROVE RESOLUTION 2015-17 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE OF AN ADDITIONAL AMOUNT NOT TO EXCEED \$150,000,000 GINNIE MAE MBS

**Made by: Richard Ellis
Seconded by: Cate Burrows**

Mr. Ashton asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Richard Ellis	No interest to disclose
Edward Leary	No interest to disclose
Cate Burrows	Yes, as filed with UHC
Lerron Little	Yes, as filed with UHC
Mark Cohen	Yes, as filed with UHC
Robert Majka	No interest to disclose
Kay Ashton	Yes, as filed with UHC

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

The Chair called for the next agenda item.

8. **Resolution 2015-18, Authorizing the additional issuance of an amount not to exceed \$75,000,000 Fannie Mae MBS or whole loan sales.**

A RESOLUTION OF UTAH HOUSING CORPORATION AUTHORIZING THE PURCHASE OF UP TO \$75,000,000 OF SINGLE FAMILY MORTGAGE LOANS, THE SALE OF SUCH MORTGAGE LOANS TO FANNIE MAE FOR CASH OR THE EXCHANGE OF SUCH MORTGAGE LOANS FOR FANNIE MAE MORTGAGE-BACKED SECURITIES, THE SALE OF SUCH FANNIE MAE MORTGAGE-BACKED SECURITIES, AND AUTHORIZING ALL DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Mr. Whitaker introduced Resolution 2015-18

Mr. Whitaker recommended that Resolution 2015-18 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

Motion: TO APPROVE RESOLUTION 2015-18 OF UTAH HOUSING CORPORATION AUTHORIZING THE ADDITIONAL ISSUANCE OF AN AMOUNT NOT TO EXCEED \$75,000,000 FANNIE MAE MBS OR WHOLE LOAN SALES

Made by: Mark Cohen
Seconded by: Lerron Little

Mr. Ashton asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Richard Ellis	No interest to disclose
Edward Leary	No interest to disclose

Cate Burrows	Yes, as filed with UHC
Lerron Little	Yes, as filed with UHC
Mark Cohen	Yes, as filed with UHC
Robert Majka	No interest to disclose
Kay Ashton	Yes, as filed with UHC

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

The Chair called for the next agenda item.

9. Resolution 2015-19, Mortgage Loan to Finance 274 Unit Multifamily Development (616 Lofts)

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) AUTHORIZING A MORTGAGE LOAN IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT; AUTHORIZING THE EXECUTION BY UHC OF A FUNDING LOAN AGREEMENT, A FUNDING LOAN NOTE, A PROJECT LOAN AGREEMENT, A TAX REGULATORY AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

Mr. Whitaker introduced Resolution 2015-19

Mr. Whitaker recommended that Resolution 2015-19 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

Motion: TO APPROVE RESOLUTION 2015-19 OF UTAH HOUSING CORPORATION AUTHORIZING THE MORTGAGE LOAN TO FINANCE 274 UNIT MULTIFAMILY DEVELOPMENT (616 LOFTS)

Made by: Robert Majka
Seconded by: Mark Cohen

Mr. Ashton asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Richard Ellis	No interest to disclose
Edward Leary	No interest to disclose
Cate Burrows	Yes, as filed with UHC
Lerron Little	Yes, as filed with UHC
Mark Cohen	Yes, as filed with UHC
Robert Majka	No interest to disclose
Kay Ashton	Yes, as filed with UHC

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

The Chair called for the next agenda item.

10. Resolution 2015-20, Reservation of Federal Housing Tax Credits

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) RESERVING FEDERAL HOUSING TAX CREDITS

Mr. Whitaker introduced Resolution 2015-20

Mr. Whitaker recommended that Resolution 2015-20 be adopted.

Mr. Ashton then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

Motion: TO APPROVE RESOLUTION 2015-20 OF UTAH HOUSING CORPORATION RESERVING FEDERAL HOUSING TAX CREDITS

Made by: Lerron Little
Seconded by: Ed Leary

Mr. Ashton asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Richard Ellis	No interest to disclose
Edward Leary	No interest to disclose
Cate Burrows	Yes, as filed with UHC
Lerron Little	Yes, as filed with UHC
Mark Cohen	Yes, as filed with UHC
Robert Majka	No interest to disclose
Kay Ashton	Yes, as filed with UHC

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Mr. Ashton called for a vote on the motion:

Vote: Approved Unanimously

Other items of Business

Cleon Butterfield and Jonathan Hanks reviewed the operating reports to the satisfaction of the Trustees.

Mr. Whitaker reminded the Board of the Special Board Meeting that will be held on December 10th, preceded by lunch and a farewell for Richard Ellis. He also discussed the dates for the UHC annual Board Retreat to be held in June, 2016 and the upcoming Annual Conference of the National Council of State Housing Agencies.

Mr. Whitaker apprised the Board that Richard Ellis, Utah State Treasurer and Exofficio Trustee of Utah Housing Corporation had announced his resignation as State Treasurer effective November 1st. Because that office holder serves as a member of the Utah Housing Board, Richard will no longer be a Trustee as of that date.

Richard Ellis then described the new employment opportunity at the Utah Educational Savings Plan that he has accepted and expressed his pleasure at having served on the Utah Housing Board and that he and his wife Joyce will miss the friendship and comradery they have enjoyed.

Ed Leary asked that the record reflect Utah Housing's acknowledgment of the passing of his mother and his deep appreciation for that.

Mr. Ashton, the Vice Chair, hearing no other business called for a motion to move into an executive session.

Motion: To Move into an Executive Session to Discuss Litigation Strategy

Made by: Bob Majka

Seconded by: Ed Leary

Vote: Approved Unanimously

The Trustees and members of the Executive Staff discussed strategy regarding ongoing litigation matters involving Utah Housing.

Following the other items of business The Chair adjourned the meeting.