



**WORKFORCE
SERVICES**
**HOUSING & COMMUNITY
DEVELOPMENT**

PRIVATE ACTIVITY BOND PROGRAM

**PRIVATE ACTIVITY BOND PROGRAM
NOTICE OF PUBLIC MEETING**

April 20, 2023 at 12:00 p.m.

This meeting will be streamed at <https://utah-gov.zoom.us/s/87434255254>

John T. Crandall, Chairman of the Board

Board Members Present:

John Crandall, Chairman
Dean Lundell, Lehi City
David Damschen, UHC
Kamron Dalton, GOEO
Kirt Slaugh, Utah Treasurer's Office
Nate Tally, USHE
Sheri Dearden, Millard County

Curtis Koch, Davis County
Chip Dawson, South Jordan City
Ricky Hatch, Weber County
Heidi Voordeckers, ULCT

Staff Present:

Christina Oliver, HCD Director
McKenna Marchant, HCD Staff
Jennifer Edwards, HCD Assistant Director
Stacey Herpel, HCD Staff

Carver Black, HCD Finance Advisor
Brook McCarrick, State Attorney General's
Office
Dan Murphy – HCD Staff
Sarah Nielson – Public Relations Officer

Guests Present:

David Brint
Ashley Grant
Ian Peterson
Whitney Weller
Ryan Davis

Kristina Harrold
Todd Reeder
Dave Miner
Corey Johnson
Jeff Nielson

I. Welcome and Introductions

II. Approval of Minutes

a. January 11, 2023

Motion to approve minutes as written made by Ricky Hatch and seconded by Curtis Koch. The motion passed by roll call vote with affirmative votes by Kamron Dalton, Kirt Slaugh, Nate Talley, Ricky Hatch, Sheri Dearden, Dean Lundell, Heidi Voordeckers, and Curtis Koch. With two absences.

b. March 22, 2023

Motion to approve minutes as written made by Dean Lundell and seconded by Kirt Slaugh. The motion passed by roll call vote with affirmative votes by Kamron Dalton, Kirt Slaugh, Nate Talley, Ricky Hatch, Chip Dawson, Sheri Dearden, Dean Lundell, Heidi Voordeckers, and Curtis Koch. With one absence.

III. Status of Accounts: Kaylee Beck

Ms. Beck stated that the current volume cap stands at \$62,004,604 million in multi-family, the increase is due to Ville 9 relinquishing its volume cap of \$9.6 million. There was \$48 million in Manufacturing and \$62 million in Multi-Family available for allocation at the meeting. There were enough funds based on the projects that were presented to fund all them if the Board chose to do so.

IV. Volume Cap Extension Requests

A. Single Family Housing

1. Utah Housing Corporation

\$154,214,445

Requested Single Family Allotment for 2023

First

B. Multifamily Housing Projects

1. Price Apartments

168 Units – 100% Affordable

New Construction

Developer – CJM Development

Original Allocation - \$20,500,000 [January 11, 2023]

First

Main Street and

Airport Road

Price, UT. 84501

2. Liberty Corner

172 Units – 100% Affordable

New Construction

Developer – Cowboy Partners

Original Allocation - \$42,100,000 [January 11, 2023]

First

1285 S 300 W

SLC, UT 84101

3. Silos on 500

175 Units – 100% Affordable

New Construction

Developer – Lowe Holdings

Original Allocation - \$20,000,000 [January 11, 2023]

First

515 S 500 W

SLC, UT 84101

4. 9Ten West	First
175 Units – 100% Affordable	
New Construction	910 W Temple
Developer – Great Lakes Capital	SLC, UT 84116
Original Allocation - \$14,486,000 [January 11, 2023]	
5. Lotus Citywalk	First
99 Units – 100% Affordable	
New Construction	1860 Lincoln Ave
Developer – Lotus Development	Ogden, UT 84410
Original Allocation - \$18,750,000 [January 11, 2023]	
6. Lotus Lincoln	First
99 Units – 100% Affordable	
New Construction	265 22nd Street
Developer – Lotus Development	Ogden, UT 84410
Original Allocation - \$16,000,000	
<i>Motion made to approve first requested allotment for the aforementioned projects by Kirt Slaugh and seconded by David Damschen. The motion passed by roll call vote with affirmative votes by Kamron Dalton, Nate Talley, Ricky Hatch, Chip Dawson, Sheri Dearden, Dean Lundell, Heidi Voordeckers, and Curtis Koch.</i>	
7. Magnolia at Homestead	Third
140 Units – 100% Affordable	
New Construction	650 W 400 N
Developer – Wasatch Affordable Ventures	Logan, UT 84321
Original Allocation - \$17,700,000 [July 13, 2022]	
<i>Motion made to approve the third requested allotment by Kamron Dalton and seconded by Chip Dawson. The motion passed by roll call vote with affirmative votes by David Damschen, Kirt Slaugh, Nate Talley, Ricky Hatch, Sheri Dearden, Dean Lundell, Heidi Voordeckers, and Curtis Koch.</i>	
8. Homestake	Third
124 Units – 79% Affordable	
New Construction	1875 Homestake Rd.
Developer – J. Fisher Co.	Park City, UT 84060
Original Allocation - \$45,000,000 [July 13, 2022]	
Current Allocation - \$48,000,000 [January 11, 2023]	

Motion made to approve the third requested allotment by Curtis Koch and seconded by David Damschen. The motion passed by roll call vote with affirmative votes Kamron Dalton, Kirt Slaugh, Nate Talley, Ricky Hatch, Chip Dawson, Sheri Dearden, Dean Lundell, and Heidi Voordeckers.

9. Syracuse Affordable	Third
300 Units – 100% Affordable	
New Construction	
Developer – Wasatch Residential	
Original Allocation - \$45,000,000 [July 13, 2022]	
Current Allocation - \$48,000,000 [January 11, 2023]	

Motion made approve third requested allotment by Kirt Slaugh and seconded by David Damschen. The motion passed by roll call vote with affirmative votes by Kamron Dalton, Nate Talley, Ricky Hatch, Chip Dawson, Sheri Dearden, Dean Lundell, Heidi Voordeckers, and Curtis Koch.

10. Silvercrest	Third
53 Units – 99% Affordable	
New Construction	
Developer – Salvation Army	
Original Allocation - \$8,550,000 [July 13, 2022]	

Motion made approve third requested allotment by Ricky Hatch and seconded by Nate Talley. The motion passed by roll call vote with affirmative votes by David Damschen, Kamron Dalton, Kirt Slaugh, David Damschen, Curtis Koch, Ricky Hatch, Chip Dawson, Dean Lundell, and Heidi Voordeckers.

11. Howick	Third
150 Units – 100% Affordable	
New Construction	
Developer – Blueline & CDC Utah	
Original Allocation - \$30,000,000 [July 13, 2022]	

Motion made approve third requested allotment by Dean Lundell and seconded by Curtis Koch. The motion passed by roll call vote with affirmative votes by Kamron Dalton, Kirt Slaugh, Nate Talley, Ricky Hatch, Chip Dawson, Sheri Dearden, Heidi Voordeckers, and David Damschen.

12. Glendale Gardens	Second
120 Units – 100% Affordable	
New Construction	
Developer – Mana 7 Charities & TCB Industries	
Original Allocation - \$16,000,000 [October 12, 2022]	

Motion made approve second requested allotment by Nate Talley and seconded by Kirt Slaugh. The motion passed by roll call vote with affirmative votes by David Damschen, Kamron Dalton, Ricky Hatch, Chip Dawson, Sheri Dearden, Dean Lundell, Heidi Voordeckers, and Curtis Koch.

13. MODA Greenwell	Second
176 Units – 100% Affordable	
New Construction	
Developer – J. Fisher Co.	
Original Allocation - \$27,550,000 [October 12, 2022]	

Motion made approve second requested allotment by Sheri Dearden and seconded by Chip Dawson. The motion passed by roll call vote with affirmative votes by David Damschen, Kamron Dalton, Nate Talley, Ricky Hatch, Kirt Slaugh, Dean Lundell, Heidi Voordeckers, and Curtis Koch.

V. New Volume Cap Requests	Amount Requested
A. Multifamily Housing Projects	
1. SPARK! 200 Units – 100% Affordable New Construction Developer – Brinshore	\$5,000,000 <i>1500 W North Temple SLC, UT 84116</i>

Brinshore received their original bond allocation of \$42.6 million for this project in November of 2021 and received an additional \$3 million in July of 2022. They closed on their bond in December of 2022. In January of 2023 the city came back to them and said that there was significant work needed on the sewers. With the sewer increases they're at less than 50%. With the additional they'll be at 55%. Brinshore has provided a letter stating that they will relinquish anything over 51%.

Discussion ensued on if Brinshore could retract their letter offering to relinquish anything over 51%.

Motion made approve Brinshore's request of \$5 million with no stipulations by David Damschen and seconded by Kamron Dalton. The motion passed by roll call vote with affirmative votes by Sheri Dearden, Chip Dawson, Nate Talley, Ricky Hatch, Kirt Slaugh, Dean Lundell, Heidi Voordeckers, and Curtis Koch.

2. Skyline Apartments 112 Units – 100% Affordable New Construction Developer – Hampstead	\$19,367,000 <i>430, 443, 448 N Fairfield Rd Layton, UT 84041</i>
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This is a rehab project. It is eight two-story residential buildings with an attached laundry room and community center will be built and contain a leasing office and maintenance shop. The project buildings were built in 1973, 1974, and 1978. This property is currently under Low-Income Housing Preservation and Resident Homeownership Act contracts which expire in 2037 & 2039. The developers have submitted a request for a new 20-year preservation HAP contract. The project does include a temporary relocation plan for current residents during the construction process due to the plumbing scope of work. Amenities include two new modern play areas and bike racks. The tax credit pricing is better than the nation average of \$0.90, this project is at \$0.97.

Motion made approve Brinshore's request of \$19.367 million by Curtis Koch and seconded by Heidi Voordeckers. The motion passed by roll call vote with affirmative votes by Sheri Dearden, Chip Dawson, Nate Talley, Ricky Hatch, David Damschen, Kirt Slaugh, Dean Lundell, and Kamron Dalton.

B. Multifamily Housing Projects	
1. Spor Mountain (Ares) Fluorspar Mining Project New Construction	\$10,000,000 <i>Millard County</i>

Developer – Ares Strategic Mining

The applicant requested \$10 million. The project is located in Millard County. The bonds will be used to fund the development of a manufacturing plant near Fillmore and consist of a 6,000 sqft manufacturing plant, a 970 material storage area, a 1,400 finished product storage area, 1,000 office space, and 500 research space totaling 9,870. The Spor Mountain deposits began production in 1944 and continue to present. It is the only important source of fluorspar in Utah, reportedly yielding approximately 320,000 tons of fluorspar material until 1980. These deposits are considered to be high quality deposits.

Presently there are no active fluorspar mines in the US. And is the only classified critical mineral that is 100% imported from non-US sources. They did include a report that examined all Federal, state, and local permits, approvals and requirements and the report concluded that the water, air and wildlife issues will not be impacted. The terms of the bonds are expected to be a fixed rate between 8-10% (the original application last year anticipated a rate between 4-4.5%) and are anticipated to close between April or May. There is residual interest in the offering from the December offering period. The manufacturer did have an interested party to purchase the bond in December, but because of the due diligence period, they were unable to close on the bond before the December deadline. The manufacturer has stated that the deal will look even more attractive if Ares is able to close on the USDA loan prior to the PAB bonds. They do have Preliminary Limited Offering Memorandum ready to go to market immediately after receiving PAB bonds.

Motion made approve Brinshore's request of \$5 million with no stipulations by Sheri Dearden and seconded by Ricky Hatch. The motion passed by roll call vote with affirmative votes by Chip Dawson, Nate Talley, Kamron Dalton, Kirt Slaugh, Dean Lundell, Heidi Voordeckers, and Curtis Koch.

IV. Other Business and Adjournment

No other business items.

Board Member Dalton requested that the representative from the A.G.'s office look into if the Board can attach stipulations to a bond request and report back to the Board.

Further discussion ensued regarding when the 50% is verified. Dave Minor stated that it is verified at the time of construction close, but no lender will give money if you're not meeting it at the time you close on your financing (and close on your bonds).

The meeting of the PAB Board of Review was adjourned at 11:32am.

A. Next Meeting – Wednesday, April 23, 2023

MINUTES APPROVED ON: _____

CERTIFIED CORRECT BY: _____

Stacey Herpel & McKenna Marchant