



**WORKFORCE  
SERVICES  
HOUSING & COMMUNITY  
DEVELOPMENT**

PRIVATE ACTIVITY BOND PROGRAM

PRIVATE ACTIVITY BOND PROGRAM  
NOTICE OF PUBLIC MEETING

June 12, 2023 at 9:00 a.m.

This meeting will be streamed at <https://utah-gov.zoom.us/j/87354914400>

John T. Crandall, Chairman of the Board

**Board Members Present:**

John Crandall, Chairman

Dean Lundell, Lehi City

David Damschen, UHC

Kirt Slaugh, Utah Treasurer's Office

Nate Tally, USHE

Curtis Koch, Davis County

Heidi Voordeckers, ULCT

**Staff Present:**

Christina Oliver, HCD Director

McKenna Marchant, HCD Staff

Jennifer Edwards, HCD Assistant Director

Jennifer Domenici, HCD Assistant Director

Stacey Herpel, HCD Staff

Carver Black, HCD Finance Advisor

Kaylee Beck, HCD Finance Advisor

Brook McCarrick, State Attorney General's Office

Brian Swan, State Attorney General's Office

Dan Murphy, HCD Staff

Sarah Nielson, Public Relations Officer

**Guests Present:**

John Starrett

Ian Peterson

Ryan Davis

Claudia O'Grady

Angela Hansen

Jonathan Hardy

Chris Meller

Peter Corroon

Corey Johnson

Zack Jones

I. **Welcome and Introductions**

II. **Approval of Minutes**



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**a. April 20, 2023**

*Motion to approve minutes as written made by David Damschen and seconded by Dean Lundell. The motion passed by roll call vote with affirmative votes by David Damschen, Kirt Slaugh, Nate Talley, Curtis Koch, Dean Lundell, and Heidi Voordeckers. With four absences.*

**III. Board Training: Claudia O’Grady**

Ms. O’Grady trained and answered questions for the Private Activity Bond Board on Low Income Housing Tax Credits.

**IV. Status of Accounts: Carver Black**

Mr. Carver stated that the current volume cap stands at \$46,258,604 million in multi-family. \$21,370,240 million in manufacturing. There is enough funds based on the projects that were presented to fund all of them if the Board chooses to do so. Need to move unallocated amounts to the main pool.

*Motion to approve moving the unallocated funds to the main pool account as written made by Kirt Slaugh and seconded by Heidi Voordeckers. The motion passed by roll call vote with affirmative votes by David Damschen, Kirt Slaugh, Nate Talley, Curtis Koch, Dean Lundell, and Heidi Voordeckers. With three absences.*

**[Kameron Dalton joins meeting 9:30 am]**

**V. Volume Cap Extension Requests**

**A. Single Family Housing**

**1. Utah Housing Corporation**

\$154,214,445

Requested Single Family Allotment for 2023

**Second**

*Motion to approve staff’s recommendation to grant the second extentsion as written made by Dean Lundell and seconded by Curtis Koch. The motion passed by roll call vote with affirmative votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, and Heidi Voordeckers. David Damschen abstaining and with three absences.*

**B. Multifamily Housing Projects**

**1. Magnolia at Homestead**

140 Units – 100% Affordable

New Construction

Developer – Wasatch Affordable Ventures

Original Allocation - \$17,700,000 [July 13, 2022]

**Fourth**

650 W 400 N

Logan, UT 84321

*Motion to approve staff’s recommendation to grant the fourth extension as written made by Kirt Slaugh and seconded by Nate Tally. The motion passed by roll call vote with affirmative*

*votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

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|---|--|
| <b>2. Homestake - Engine House</b><br>124 Units – 79% Affordable<br>New Construction<br>Developer – J. Fisher Co.<br>Original Allocation - \$45,000,000 [July 13, 2022]<br>Current Allocation - \$48,000,000 [January 11, 2023] | <b>Fourth</b><br><br>1875 Homestake Rd.<br>Park City, UT 84060 |
|---|--|

*Motion to approve staff's recommendation to grant the fourth extension as written made by Heidi Voordeckers and seconded by Dean Lundell. The motion passed by roll call vote with affirmative votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

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|---|---|
| <b>3. Syracuse Affordable</b><br>300 Units – 100% Affordable<br>New Construction<br>Developer – Wasatch Residential<br>Original Allocation - \$45,000,000 [July 13, 2022]<br>Current Allocation - \$48,000,000 [January 11, 2023] | <b>Fourth</b><br><br>1700 W 300 S<br>Syracuse, UT 84075 |
|---|---|

*Motion to approve staff's recommendation to grant the fourth extension as written made by Curtis Koch and seconded by David Damschen. The motion passed by roll call vote with affirmative votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

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|---|---|
| <b>4. Silvercrest</b><br>53 Units – 99% Affordable<br>New Construction<br>Developer – Salvation Army<br>Original Allocation - \$8,550,000 [July 13, 2022] | <b>Fourth</b><br><br>2615 Grant Avenue<br>Ogden, UT 84401 |
|---|---|

*Motion to approve staff's recommendation to grant the fourth extension as written made by Dean Lundell and seconded by Kamron Dalton. The motion passed by roll call vote with affirmative votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

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|--|--|
| <b>5. Howick</b><br>150 Units – 100% Affordable<br>New Construction<br>Developer – Blueline & CDC Utah<br>Original Allocation - \$30,000,000 [July 13, 2022] | <b>Fourth</b><br><br>4101 S Howick St<br>Millcreek, UT 84107 |
|--|--|

*Motion to approve staff's recommendation to grant the fourth extension as written made by Heidi Voordeckers and seconded by Kirt Slauch. The motion passed by roll call vote with*

*affirmative votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**6. Glendale Gardens**

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

**Third**

406 E 300 S  
SLC, UT 84111

*Motion to approve staff's recommendation to grant the third extension as written made by Nate Tally and seconded by Curtis Koch. The motion passed by roll call vote with affirmative votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**7. Price Apartments**

168 Units – 100% Affordable  
New Construction  
Developer – CJM Development  
Original Allocation - \$20,500,000 [January 11, 2023]

**Second**

Main Street and  
Airport Road  
Price, UT 84501

*Motion to approve staff's recommendation to grant the second extension as written made by Dean Lundell and seconded Heidi Voordeckers. The motion passed by roll call vote with affirmative votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**8. Liberty Corner**

172 Units – 100% Affordable  
New Construction  
Developer – Cowboy Partners  
Original Allocation - \$42,100,000 [January 11, 2023]

**Second**

1285 S 300 W  
SLC, UT 84101

*Motion to approve staff's recommendation to grant the second extension as written made by Kirt Slauch and seconded Kamron Dalton. The motion passed by roll call vote with affirmative votes by Kirt Slauch, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**9. Silos on 500**

175 Units – 100% Affordable  
New Construction  
Developer – Lowe Holdings  
Original Allocation - \$20,000,000 [January 11, 2023]  
**Additional Allocation - \$1,335,000 [July 12, 2023]**

**Second**

515 S 500 W  
SLC, UT 84101

*Motion to approve staff's recommendation to grant the second extension as written made by Kamron Dalton and seconded Nate Talley. The motion passed by roll call vote with affirmative*

*votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**10. 9Ten West**

175 Units – 100% Affordable  
New Construction  
Developer – Great Lakes Capital  
Original Allocation - \$14,486,000 [January 11, 2023]  
**Additional Allocation - \$4,414,000 [July 12, 2023]**

**Second**

*910 W Temple  
SLC, UT 84116*

Discussion on the 30+% increase in project costs. Due to the increase of costs, staff recommended that the Board revoke the application and request the developer to resubmit their application package with updated costs; which the developer agreed to.

*Motion to approve staff's recommendation to revoke the second extension as written made by Kirt Slaugh and seconded David Damschen. The motion passed by roll call vote with affirmative votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**11. Lotus Citywalk**

99 Units – 100% Affordable  
New Construction  
Developer – Lotus Development  
Original Allocation - \$16,000,000 [January 11, 2023]

**Second**

*265 22<sup>nd</sup> St.  
Ogden, UT 84410*

*Motion to approve staff's recommendation to grant the second extension as written made by Dean Lundell and seconded Curtis Koch. The motion passed by roll call vote with affirmative votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**12. Lotus Lincoln**

99 Units – 100% Affordable  
New Construction  
Developer – Lotus Development  
Original Allocation - \$18,750,000 [January 11, 2023]

**Second**

*1860 Lincoln Ave  
Ogden, UT 84401*

**13. SPARK!**

200 Units – 100% Affordable  
New Construction  
Developer – Brinshore  
Original Allocation - \$5,000,000 [April 12, 2023]

**First**

*1500 W North Temple  
SLC, UT 84116*

**14. Skyline Apartments**

112 Units – 100% Affordable  
New Construction  
Developer – Hampstead

**First**

*448 N Fairfield Rd.  
Layton, UT 84041*

Original Allocation - \$19,367,000 [April 12, 2023]

*Motion to approve the staff's recommendation to grant the second extension and include Spark! And Skyline Apartments first extensions as written made by Kirt Slaugh and seconded David Damschen. The motion passed by roll call vote with affirmative votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**C. Multifamily Housing Projects**

**1. Spor Mountain (Ares)**

Fluorspar Mining Project  
New Construction  
Developer – Ares Strategic Mining  
Original Allocation - \$10,000,000

**First**

*Millard County*

*Motion to approve staff's recommendation to grant the first extension as written made by Kamron Dalton and seconded Curtis Koch. The motion passed by roll call vote with affirmative votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

**VI. New Volume Cap Requests**

**A. Multifamily Housing Projects**

**1. Book Cliffs**

55 Units – 100% Affordable  
New Construction  
Developer – HAME & Ethos

**Amount Requested**

**\$10,982,000**

*1159 S West Temple  
SLC, UT 84115*

This is a new construction project. It is 1 4-story building. The project is required to set aside 5% of units to be accessible but has chosen to set aside 14.5% of units to be accessible (8/55). Housing Assistance Management Enterprise or HAME, which is the nonprofit affiliate of the Housing Authority of SLC, has partnered with Ethos Real Estate, which will act as the developer of the property. HAME has had experience with 9% LIHTC projects in the past. The total development costs is \$361,337/unit. The median total development cost for a PAB project in 2023 is \$256,525, which is 40% lower than the proposed development costs for this project. Nearly, all of their costs for the project are higher than what is typically seen of PAB projects including architectural and engineering, profit and overhead, and syndication costs. Additionally, when the project originally submitted their application, they were requesting \$14,800,000 of bonds which put them at 75.23% (as per our policy's, PAB cap is 58%). Their original application total development costs were \$20.5M. In order to bring down their request under 58%, they nearly eliminated their rent-up reserves, bond fees, and construction interest. The total annual expenses are \$7,600/unit which is much higher than both the averages and medians for 2023 PAB projects (average: \$4,610; median \$4,262). Additionally, their debt coverage ratio is at 1.35 which is over the QAP maximum of 1.25. When the developer reduced their bond request they were left with a financing gap which they have proposed to fill with state tax credits. This project has applied multiple times to the 9% LIHTC program but has not received tax credits. The developer has stated that the multiple denials has allowed the project to progress in readiness, however it is unclear if they have a complete understanding of QAP requirements (surpassing the QAP's DCR ratio will result in a denial) nor of PAB's requirements (submitting with an original application at the 50% Test of 75% well above the PAB threshold of 58%).

Staff recommends that the Book Cliffs developers reconsider application for 9% credits and that the Board withholds approval this round to allow the developers more time to accuracy of their numbers.

*Motion made deny Book Cliffs application and request the developer redo their application for the next meeting by Dean Lundell and seconded by Curtis Koch. The motion passed by roll call vote with affirmative votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

<b>2. Pharos Apartments</b>	<b>\$4,900,000</b>
34 Units – 100% Affordable	
New Construction	915 W 200 N
Developer – HAMES	SLC, UT 84115

This is a new construction project. It is 1 5-story building. The developer has set their AMI at 60%, but may go lower. In their executive summary they stated the units will target tenants between 25-40%. The zoning for this project does not require parking and the developer is not proposing any parking. The developer of this project is also HAME. The total development costs is \$284,377/unit which is about par for what has been seen in previous PAB applications. The costs for many of the items of this project are lower than 2023 PAB averages, but many of their other items that factor into their development costs are also higher than 2023 PAB averages. Their annual expense information has been submitted to staff three times with different variations. The only thing that has not changed throughout all of the various iterations is the total cost for this category. The administrative expenses, maintenance costs, operating costs, and fixed costs have all jumped and dipped in the iterations as outlined in the executive summary. Overall, total annual expenses are extremely high at \$10,191/unit (average: \$4,610; median \$4,262). Because of the various iterations it is unclear if their expenses and costs accurately reflect the project. The project also submitted above the 58% threshold, at 70%. When the developer reduced their bond request they were left with a financing gap which they have proposed to fill with a \$1M Federal Home Loan Bank loan and a loan from SLC for \$1M.

Staff recommends that the Pharos developers reconsider application for 9% credits as it will allow the developers to take on more debt thereby reaching their goal of renting to lower targeted AMIs.

*Motion made to deny Pharos Apartments request of \$4.9 million with an added requirement that all developers have to complete UHC's QAP requirements before coming to the PAB by Curtis Koch and seconded by Kirt Slaugh. The motion passed by roll call vote with affirmative votes by Kirt Slaugh, Kamron Dalton, Nate Talley, Curtis Koch, Dean Lundell, David Damschen and Heidi Voordeckers and with three absences.*

#### **IV. Other Business and Adjournment**

No other business items.

The meeting of the PAB Board of Review was adjourned at 11:15am.

#### **A. Next Meeting – Wednesday, October 11, 2023**

MINUTES APPROVED ON: October 11, 2023

CERTIFIED CORRECT BY: Stacey Herpel