

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
June 5, 2019

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Melinda Hill, proxy for William M. Landrum III, Secretary of the Finance and Administration Cabinet ("FAC"), on Wednesday, June 5, 2019 at 2:20 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Ms. Hill asked for a roll call. Other members present were Scott Brinkman, Secretary of the Governor's Executive Cabinet; Ed Ross, State Controller, FAC; John Chilton, State Budget Director, Office of the State Budget Director ("OSBD"); and Sara Butler, proxy for Vivek K. Sarin, Acting Secretary of the Cabinet for Economic Development ("CED").

Office of Financial Management ("OFM") and staff to the Committee present were Ryan Barrow, Executive Director of OFM and Secretary to the Committee; Sandy Williams, Deputy Executive Director; John Brady, Bethany Couch, Billy Aldridge, Jennifer Yount and Tammy McCall.

Other Guests Present: April Johnson, Kentucky Higher Education Student Loan Corporation ("KHESLC"), David Carlsen, KHESLC; Katherine Halloran, Legislative Research Commission; Carla Wright, OSBD; Ethan Williams, OSBD; and Tom Midkiff, Kentucky Housing Corporation ("KHC").

Ms. Hill verified with staff a quorum was present and the press was notified of the meeting.

The first item on the agenda was the approval of the April 9, 2019 minutes. A motion to accept the minutes of the April 9, 2019 meeting was made by Secretary Brinkman and seconded by Mr. Ross. Motion **CARRIED**.

2019 Local Issuer Pool – Mr. Aldridge directed the Committee to the applications from KHC and KHESLC for the State Issuer Pool portion of the Private Activity Bond Capacity. Under KRS 103.286, 60% of the private activity cap is reserved each calendar year for state bond issuance authorities. For 2019, the portion of the total cap reserved for the state issuers is approximately \$281.5 million. The application period for the State Issuer Pool opened January 28, 2019 and closed May 24, 2019. KHC requested half of the State Issuer Pool, approximately \$140.8 million for the financing of qualified single-family and multifamily housing loans for low and moderate-income residents of Kentucky. KHESLC requested the other half of the State Issuer Pool, approximately \$140.8 million, to provide funds for their loan programs, which provide loans to Kentucky students pursuing post-secondary educational opportunities. Staff recommended approval. Tom Midkiff, from KHC, and David Carlsen, from KHESLC were available to answer questions. Director Chilton asked if unused bond cap could be carried over to future years. Mr. Aldridge confirmed that carryover is allowable. There was a discussion about the State Issuer Pool. Mr. Midkiff discussed some of the benefits the program provides for KHC.

Ms. Hill called for a motion to approve the State Issuer Pool portion of the Private Activity Bond Capacity. Mr. Ross made a motion to approve the allocation as presented, and was seconded by Director Chilton. Motion **CARRIED**.

Summary of 2019 Volume Cap – Mr. Aldridge reviewed the Volume Cap summary for the 2019 calendar year. This summary is used to track allocations of the different pools throughout the calendar year. With the approval of the allocations to KHC and KHESLC, the entire State Issuer Pool has been allocated. One application for \$5.5 million was received for the Local Issuer Pool and no applications were received for the Energy Efficient Project Pool; therefore, their balances remain at approximately \$135.3 million and \$46.9 million respectively. Both balances will roll into the Single Issuer Pool on July 1.

With no further business before the Committee, the meeting adjourned at 2:33 p.m.

Respectfully submitted,



Ryan Barrow
Secretary