

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
December 13, 2017**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by William M. Landrum III, Secretary, Finance and Administration Cabinet ("FAC"), on Wednesday, December 13, 2017 at 2:20 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Secretary Landrum asked for a roll call. Other members present were Scott Brinkman, Secretary, Governor's Executive Cabinet; Ed Ross, State Controller, FAC; and Katie Smith, proxy for the Secretary of the Cabinet for Economic Development ("CED").

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

Other guests present were Tom Midkiff, Kentucky Housing Corporation ("KHC"); Tracy Thurston, KHC; Gene Hutchins, Kentucky Higher Education Student Loan Corporation/Kentucky Higher Education Assistance Authority ("KHEAA"/"KHESLC"); David Carlsen, KHEAA/KHESLC; and Katherine Halloran, Legislative Research Commission.

Secretary Landrum verified with staff that a quorum was present and that the press had been notified of the meeting.

The first item on the agenda was the approval of the May 30, 2017 minutes. Secretary Brinkman made a motion to approve the minutes. Ms. Smith seconded the motion. **The motion CARRIED.**

Allocation of 2017 Carryforward – Ms. Couch directed the Committee to the applications from KHC and KHESLC requesting allocation of the remaining unused private activity cap out of the single issuer pool. She reported that a balance of approximately \$177.4 million of cap was available to carry forward into CY 2018. KHC requested approximately \$120.4 million to be used for the financing of qualified single family and multi-family housing loans for low and moderate-income residents in the state. KHESLC requested the remaining balance of approximately \$57 million to help provide funds for their loan programs. KHESLC's loan programs may assist Kentucky students pursuing post-secondary educational opportunities and may also assist parent and/or student borrowers with the successful repayment of their loans through the provision of a supplemental refinance loan. A minor portion of bond proceeds may also be used to pay costs of issuance and fund reserves. Staff recommended approval.

Secretary Landrum asked for a motion to approve the allocations as presented. Mr. Ross made a motion, and was seconded by Ms. Smith. **The motion CARRIED.**

Summary of Carryforward – Ms. Couch directed the Committee to the chart that summarized the amount of volume cap that was carried forward over the past few years. The amount to be carried forward from CY2017 to CY2018 for KHESLC is approximately \$190 million and the amount for KHC is approximately \$253 million, which includes the allocations

approved at this meeting and the previous allocation approved in May 2017. This amount will carry forward for 3 years and any unissued cap will drop off after 3 years. The total carryforward amount available for CY2018 is approximately \$1.3 billion.

Summary of 2017 Volume Cap – Ms. Couch presented a summary of the activity during CY2017. She noted the state issuer allocation of approximately \$266 million that was split evenly between KHC and KHESLC in May 2016 and the total single issuer allocation of approximately \$177 million made at this meeting. The total 2017 Carryforward amount is \$253.5 million to KHC and \$190.1 million to KHESLC.

Mr. Midkiff expressed his appreciation to the Committee for the allocation, and to KHESLC for requesting less than half of the carryforward for the last two years. He stated that typically the allocations are evenly split between KHC and KHESLC, but KHC had asked for a larger allocation to accommodate the voluminous increase in demand for their multi-family program.

With no further business before the Committee, Secretary Landrum asked for a motion to adjourn. Ms. Smith made the motion, and was seconded by Mr. Ross. The meeting adjourned at 2:30 p.m.

Respectfully submitted,



Ryan Barrow
Secretary