

**NOTICE OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
BOARD OF DIRECTORS**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS**, and to the general public, that **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS** will hold a meeting open to the public on **Thursday, April 9, 2015 at 3:30 PM** located at **Calvin C. Goode Municipal Building, 251 West Washington Street, 10th Floor, Conference Room 10-West, Phoenix, Arizona.**

One or more board members may participate via teleconference.

The agenda for the meeting is as follows:

Call to Order

- 1. Approval of Meeting Minutes**
 - a. February 19, 2015 Board of Directors
 - b. March 12, 2015 Board of Directors
- 2. Valley of the Sun United Way.** Presentation, discussion, and possible action to approve a funding request to support the Downtown Phoenix Shelter Services Transition Plan.
- 3. Phoenix IDA Loan Fund.** Presentation, discussion, and possible action to approve the Phoenix IDA Loan Fund.
- 4. Annual Liability Insurance Policy.** Presentation, discussion and possible action to approve liability insurance for the annual policy period beginning April 26, 2015.
- 5. District School Financing Structure.**
- 6. Home in Five Advantage Report.**
- 7. Government Affairs Report.**

8. Open Meeting Law and Ethics Policy.

9. Call to Public

Adjournment

For reasonable accommodations, please call Wendy Gutierrez at Voice/602-534-8679 or TTY/602-534-5500, as early as possible to coordinate needed arrangements.

Date Posted:

DRAFT

**MINUTES OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
BOARD OF DIRECTORS**

February 19, 2015

A public meeting of the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”) was convened on Thursday, February 19, 2015 at 9:34 a.m., at the Calvin C. Goode Building, 9th Floor, Conference Room 910, Phoenix, Arizona.

Directors present:

Ms. Judy Bernas *(Telephonic)*
Mr. Don Keuth *(Telephonic)*
Mr. Bruce Mosby *(Telephonic)*
Mr. Sal Rivera (9:35 a.m.)
Ms. Barbara Ryan Thompson *(Telephonic)*
Ms. Christa Severns *(Telephonic)*

Directors absent:

Mr. Tommy Espinoza
Ms. Charlene Tarver
Ms. Marian Yim

Also present for all or portions of the meeting were:

Mr. Gary Aller, GFDS, LLC *(Telephonic)*
Ms. Sarah Cline, Phoenix IDA
Ms. Wendy Gutierrez, Phoenix IDA
Ms. Lydia Lee, Phoenix IDA
Ms. Kelly McGuire, Kutak Rock LLP *(Telephonic)*
Mr. Michael Melton, James Megellas Foundation *(Telephonic)*
Mr. Don Newman, ECVA *(Telephonic)*
Mr. Steve Nielsen, GFDS, LLC *(Telephonic)*
Mr. Patrick Ray, Kutak Rock LLP *(Telephonic)*
Mr. Juan Salgado, Phoenix IDA *(Telephonic)*
Mr. Mike Santellanes, Phoenix IDA

Any member of the public that was present during the meeting was able to hear all discussions and actions taken by board members that were present, in person and over the phone, via a teleconferencing phone system.

Ms. Severns called the Board Meeting to order at 9:34 a.m. A quorum was noted.

(Director Rivera arrived at 9:35 a.m.)

ITEM 1: Revenue Bonds (JMF-ECVA Convention Center Expansion Project), Series 2015

Mr. Salgado introduced the item, and requested Mr. Santellanes to brief the Board on the project. Mr. Santellanes provided a summary of the project and further remarked that the James Megellas Foundation was seeking approval for bond financing in an amount not to exceed \$9,000,000. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

Mr. Pat Ray, legal counsel for the Phoenix IDA for this transaction advised the Board that his firm had conducted a legal review of the project; the documents are in substantially final form and recommended approval of the project. Mr. Ray noted that as an out-of-state transaction the applicant would pay a Community Development Fee at closing.

Mr. Michael Melton of the James Megellas Foundation thanked the Board for its time and consideration.

Mr. Salgado also acknowledged the other participants in the telephonic meeting.

Mr. Keuth moved to approve **Resolution 2015-04** as recommended by the executive director and legal counsel to the Phoenix IDA. Mr. Rivera seconded the motion. A roll call vote was taken. **Motion carried unanimously.** A copy of Resolution 2015-04 is attached hereto as Exhibit A and by this reference is made a part hereof.

ITEM 2: Call to the Public

Ms. Severns made a call to the public. There were no comments.

With no further business to come before the Phoenix IDA, being duly moved and seconded, the Board Meeting was adjourned at 9:44 a.m.



**MINUTES OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
BOARD OF DIRECTORS**

March 12, 2015

A public meeting of the Board of Directors of the Industrial Development Authority of the City of Phoenix, Arizona (the "Phoenix IDA") was convened on Thursday, March 12, 2015 at 3:30 p.m., at Phoenix City Hall, 200 West Washington Street, First Floor Atrium, Assembly Room B, Phoenix, Arizona.

Directors present:

Mr. Tommy Espinoza
Mr. Don Keuth
Mr. Bruce Mosby (telephonic)
Mr. Sal Rivera (telephonic – arrived 4:07)
Ms. Barbara Ryan Thompson (telephonic)
Ms. Christa Severns (telephonic – arrived 3:49)
Ms. Marian Yim (telephonic)

Directors absent:

Ms. Judy Bernas
Ms. Charlene Tarver

Also present for all or portions of the meeting were:

Mr. Murray Boess, Phoenix IDA
Ms. Sarah Cline, Phoenix, IDA
Mr. Greg Cross, Zions Bank
Ms. Brigitte Finley Green (telephonic), Greenberg Traurig, LLP
Mr. Bill Gregory, Legacy Traditional Schools
Ms. Linda Hoffman, Freedom Academy
Mr. Corey Kennedy, Legacy Traditional Schools
Ms. Lydia Lee, Phoenix IDA
Mr. Richard Mayo, Villa Montessori
Ms. Kelly McGuire, Kutak Rock, LLP
Ms. Margo O'Neill, Villa Montessori
Mr. Marc Osborn, Kutak Rock, LLP
Mr. Patrick Ray, Kutak Rock, LLP
Mr. Paul Rhodes, Vestar
Mr. C.W. Ross, Fennemore Craig, P.C.
Mr. Juan Salgado, Phoenix, IDA
Mr. Mike Santellanes, Phoenix IDA
Mr. John Snider, RBC Capital Markets
Mr. Mark Vito, Freedom Academy
Mr. Terry Warren, Warren Charter Law

Any member of the public that was present during the meeting was able to hear all discussion and actions taken by board members that were present, in person and over the phone, via a teleconferencing phone system.

Mr. Espinoza called the Board Meeting to order at 3:33 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes

Meeting minutes for the February 12 Board of Directors meeting were presented for approval.

Mr. Keuth moved to approve the minutes for the February 12 Board of Directors meetings. Mr. Mosby seconded the motion. **Motion carried unanimously.**

ITEM 2: Education Facility Revenue Bonds (Legacy Traditional Schools Project), Series 2015.

Mr. Salgado introduced the item and requested that Mr. Santellanes brief the Board on the project. Mr. Santellanes noted that Legacy Traditional Schools was seeking approval of bond financing in an amount not to exceed \$41,500,000. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

Ms. Kelly McGuire, legal counsel for the Phoenix IDA for this transaction advised the Board that her firm had conducted a legal review of the project, noted that the documents are in substantially final form and recommended approval of the project.

Following Ms. McGuire's report, Mr. Salgado introduced Bill Gregory and Corey Kennedy who gave background information about Legacy Traditional Schools. Discussion ensued regarding the project.

Mr. Keuth moved to approve **Resolution 2015-05** as recommended by the executive director and legal counsel to the Phoenix IDA. Ms. Ryan Thompson seconded the motion. **Motion carried unanimously.** A copy of Resolution 2015-05 is attached hereto as Exhibit A and by this reference is made a part hereof.

ITEM 3: Education Facility Revenue Bonds (Freedom Academy, Inc. Project), Series 2015.

Mr. Salgado introduced the item and asked Mr. Santellanes to give a brief overview of the transaction. Mr. Santellanes provided a summary noting that Freedom Academy was seeking approval of bond financing for an amount not to exceed \$6,900,000. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

Ms. Kelly McGuire, legal counsel for the Phoenix IDA for this transaction advised the Board that her firm had conducted a legal review of the project, noted that the documents are in substantially final form and recommended approval of the project.

Ms. Linda Hoffman gave a brief background of Freedom Academy mentioning how with the growing enrollment, a larger location is needed. Discussion ensued regarding the project.

Mr. Keuth moved to approve **Resolution 2015-06** as recommended by the executive director and legal counsel to the Phoenix IDA. Ms. Ryan Thompson seconded the motion. **Motion carried**

unanimously. A copy of Resolution 2015-06 is attached hereto as Exhibit B and by this reference is made a part hereof.

ITEM 4: Education Facility Revenue Bonds (Villa Montessori, Inc. Project), Series 2015.

Mr. Salgado introduced the item and asked Mr. Santellanes to provide a brief overview of the transaction. Mr. Santellanes provided a summary noting Villa Montessori was seeking approval of bond financing for an amount not to exceed \$9,000,000. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

Ms. Kelly McGuire, legal counsel for the Phoenix IDA for this transaction advised the Board that her firm had conducted a legal review of the project, noted that the documents are in substantially final form and recommended approval of the project.

Ms. Margo O'Neill offered a brief background of Villa Montessori noting the high rate of both student and staff retention. Discussion ensued regarding the project.

Mr. Keuth moved to approve **Resolution 2015-07** as recommended by the executive director and legal counsel to the Phoenix IDA. Ms. Ryan Thompson seconded the motion. **Motion carried unanimously.** A copy of Resolution 2015-07 is attached hereto as Exhibit C and by this reference is made a part hereof.

ITEM 5: 2015 Mortgage Credit Certificate Program.

Mr. Salgado introduced the item and asked Mr. Boess to provide an overview of the program. Mr. Boess reported that the MCC Program provides a tax credit to homeowners and can be used for conventional loan or a loan that fall under the Home in Five requirements. The MCC results in a 25% tax credit on the interest paid by a home buyer. A \$53,100,000 allocation would allow for assistance to 330 home buyers. An additional \$40,000 was requested to cover the allocation fee. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

Mr. Pat Ray, legal counsel for the Phoenix IDA, offered more insight as to why Mortgage Credit Certificates are currently gaining in popularity.

Discussion ensued regarding the program.

Mr. Keuth moved to approve **Resolution 2015-08** as recommended by the executive director and legal counsel to the Phoenix IDA. Ms. Marian Yim seconded the motion. **Motion carried unanimously.** A copy of Resolution 2015-08 is attached hereto as Exhibit D and by this reference is made a part hereof.

ITEM 6: Government Affairs Report

Mr. Salgado introduced Dr. Osborn, the Phoenix IDA's government affairs consultant and requested that he brief the Board on current legislative affairs.

Dr. Osborn reported that H.B. 2323 had passed in the house with a 57-0 vote and the financial institutions committee with a 5-0 vote. Dr. Osborn mentioned that there are three more weeks of session

and that he believes the bill is likely to pass. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

This report was for information only. No action was taken.

ITEM 8: President's Report

Mr. Salgado referred Board members to the President's report, which covered (i) Xico 27th Annual Dinner, (ii) Southwest Kids' Cancer Foundation Dinner, (iii) FEES Subcommittee, (iv) Valley Leadership Man and Woman of the Year. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

This report was for information only. No action was taken.

ITEM 9: Executive Director's Report

Mr. Salgado referred Board members to the Executive Director's report, which covered (i) administrative items, (ii) bond financing projects, (iii) land investments. As reflected in the Phoenix IDA's records for this meeting; which is available upon request.

This report was for information only. No action was taken.

ITEM 10: Call to the Public

Mr. Espinoza made a call to the public. There were no comments.

With no further business to come before the Phoenix IDA, being duly moved and seconded, the Board Meeting was adjourned at 4:15 p.m.



MEMORANDUM

DATE: April 9, 2015
TO: Members, Board of Directors
FROM: Juan Salgado, Executive Director
SUBJECT: Valley of the Sun United Way – Rapid Re-Housing

BACKGROUND

Since 1925, Valley of the Sun United Way (VSUW) has worked to advance the common good by joining with businesses, nonprofits, the faith-based community, and state and local governments to develop, provide, and manage innovative programs. Today, VSUW is the largest nonprofit funder of health and human services in Maricopa County, with a service area of 25 cities and towns in the Phoenix-metro area. VSUW's strength is in leveraging collaborations and partnerships to effectively address immediate and long-term challenges. Its current focus is on three community objectives: ensure children and youth succeed; increase financial stability for individuals and families; and end hunger and homelessness. (See attached VSUW letter for details regarding this summary.)

CURRENT CHALLENGE

The Men's Overflow Shelter ("MOS") opened in 2007 southwest of downtown Phoenix as a temporary, short-term shelter in response to high temperatures and life-threatening conditions for individuals experiencing street homelessness. The MOS continued to operate year-round as an overnight shelter with a capacity for up to approximately 250 individuals. Recently, structural facility issues were identified that were cost prohibitive to repair, hence closing the MOS outright would have immediately increased street homelessness. Therefore a decision was made to phase out the MOS over a six-month period with a closure date set for April 1, 2015.

Additionally, single adults have been allowed to sleep overnight in a parking lot adjacent to the MOS and at times the number of individuals sleeping in the parking lot has reached of nearly 400 people. The parking lot does not offer humane conditions, and as temperatures rise, the VSUW along with others in partnership with the Human Services Campus, are working to identify short-term, indoor solutions.

PROGRAM DESCRIPTION

A regional Funders Collaborative of public and private interests have come together to address the need to transition 250 individuals from the MOS and the parking lot into appropriate housing by ensuring there is adequate funding to successfully transition them into a stable housing situation through Rapid Re-Housing ("RRH"). This term describes the practice of focusing resources on helping families and individuals quickly move out of homelessness into permanent housing. VSUW is actively pursuing corporate and private philanthropic entities to provide additional support for this effort and the Funders Collaborative has been working closely with service providers to develop a plan to respond to the closures. Services to support RRH include housing search and landlord negotiation, short-term financial and rental assistance and the delivery of home-based housing stabilization services, as needed, in an

effort to assist clients in obtaining and maintaining permanent housing. Priority is placed on helping clients move into and maintain, permanent housing as rapidly as possible to increase turnover in shelters, which allows for more clients to be accommodated without increasing capacity. Data indicates that 90 percent of clients served by RRH are successfully housed and do not return to shelter. In addition, all clients are referred through the Maricopa County Regional Coordinated Entry System with the aim to serve the most acute.

POPULATION TO BE SERVED

All RRH recipients will be individuals identified as users of the MOS and the parking lot and will be prioritized by acuity as determined through the assessment. Using October 31, 2014 assessment scores from the Human Services Campus, the estimated breakdown of needed intervention for 500 people (250 former MOS and 250 for the parking lot) is as follows:

Permanent Supportive Housing	75
RRH	250
General Assistance	150

To address the Permanent Supportive Housing (“PSH”) intervention, the City of Phoenix Housing Department committed 75 Housing Choice Vouchers and VSUW provided the supportive services funding to meet the PSH need for those 75 individuals. A request for proposal was issued, and a contractor was selected. The program was scheduled to begin to house individuals by April 1, 2015. The General Assistance population is served with resources offered through the service providers on the Human Services Campus and with connections to other community-based resources.

Outcomes include: 1) reduce the length of time experiencing homelessness/utilizing emergency shelter; 2) connect individuals to existing community based services; 3) increase individuals’ income; 4) decrease in returns to homelessness; and 5) decrease household acuity and increase housing retention.

REQUEST

VSUW is requesting that the Phoenix IDA invest the amount of \$1,000,000. A similar request of \$1,000,000 will be made to the Maricopa County IDA. In addition to support from the IDAs, VSUW will provide \$500,000 from private philanthropy for a total pool of \$2,500,000, as well as manage the pool of funding.

These funds will allow for an estimated 250 placements of individuals into RRH across the region. RRH funding from the City of Phoenix, Maricopa County, and the Arizona Department of Economic Security totaling \$610,000 has already allowed for placement activity that has occurred over the last six months through a contract with Community Bridge, Inc. Once the funding is received, VSUW will initiate a competitive procurement process to select provider(s) that will deliver the RRH services as described above. VSUW will include representatives from the City of Phoenix and Maricopa County through the procurement, reporting, and monitoring process.

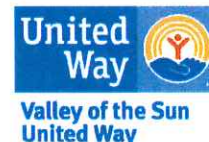
Housing placement and services are anticipated to begin as soon as possible but no later than June 1, 2015. The number of individuals housed per day, week, month, will be dependent upon the number of providers that apply for and are awarded the contract. Given that assistance is tailored to each individual, the time that a person receives service and financial assistance could range from six to 12 months. Should the pooled funds of \$2,500,000 be insufficient to support 250 people, the numbers served will be

adjusted and mainstream RRH dollars will be requested through current recipients of HUD Emergency Solutions Grants (ESG).

Once the number of providers is determined, VSUW will communicate to the Phoenix IDA the timeline for project ramp up and implementation. As housing placements begin, VSUW will provide weekly reports on its progress. VSUW will require quarterly outcomes reporting from contracted provider(s). These reports will then be shared with the Phoenix IDA.

RECOMMENDATION

I recommend financial support and request the Board of Directors to direct \$1,000,000 of the Phoenix IDA's Community Development Fund to support VSUW's RRH initiative.



March 31, 2015

Mr. Juan Salgado
Executive Director
Phoenix IDA
251 West Washington Street, 9th Floor
Phoenix, AZ 85003

Dear Mr. Salgado,

On behalf of the Funders Collaborative to End Homelessness in Maricopa County, Valley of the Sun United Way (VSUW) respectfully requests a \$1,000,000 grant from the Phoenix IDA, to be used in combination with other IDA and philanthropic funds. This grant will support the Rapid Rehousing of 250 individuals who will be adversely affected by the closing of the Men's Overflow Shelter, southwest of downtown Phoenix.

The Current Problem

The Men's Overflow Shelter (MOS) opened in 2007 as a temporary, short-term shelter in response to unusually high temperatures and life-threatening conditions for individuals experiencing street homelessness. The MOS has continued to operate year-round as an overnight shelter with a capacity for up to approximately 250 individuals. Recently, structural facility issues were identified that are cost prohibitive to repair. This necessitates that the community no longer use the facility.

At various times over the years, single adults have also been allowed to sleep overnight in a parking lot adjacent to the MOS. The number of individuals sleeping in the parking lot has reached a maximum at times of nearly 400 people.

Today there is a backlog of individuals who cannot access emergency shelter. Individuals who have accessed the MOS or parking lot have also accessed other emergency shelter services, as identified through an analysis of the Homeless Management Information System (HMIS). By looking at the combined need and the necessary capacity to serve single adults, we can identify interventions that are safe and stable. We can also ensure shelters operate with policies and procedures in place that connect and engage individuals through a coordinated intake and assessment process to the appropriate services and housing interventions.

Closing the MOS facility outright would have immediately increased street homelessness. The MOS was phased out over six months with a closure date of April 1, 2015. The parking lot does not offer humane conditions, and as the temperatures are on the rise, the Funders Collaborative working in partnership



with the Human Services Campus is working to identify short-term indoor solutions and is creating urgency for the placements of individuals into a variety of housing options. The parking lot and/or other alternatives will continue while needed, but these options typically do not provide safe conditions or the engagement necessary to find better solutions for individuals.

The Solution

A regional Funders Collaborative of public and private interests has come together to address the need to transition individuals from the MOS and the parking lot into appropriate housing interventions. This will effectively end their homelessness by ensuring there is adequate funding to successfully transition them into a stable housing situation.

The Funders Collaborative, convened by VSUW, includes the Arizona Department of Housing, city of Phoenix, and Maricopa County. VSUW is actively pursuing corporate and private philanthropic entities to provide additional support for this effort. Conversations are underway with: Arizona Community Foundation, BHHS Legacy Foundation, Nina Mason Pulliam Charitable Trust, The Bob & Renee Parsons Foundation, and Virginia G. Piper Charitable Trust.

The Collaborative has worked closely with service providers to develop a plan in a responsible and timely manner. Given the urgency of closing the MOS structure, community partners are accelerating processes and interventions to ensure safe transitions for individuals. The MOS and the parking lot were initially created as an emergency response to demand and do not provide engagement and services to move individuals out of homelessness. While the closing of these locations creates an immediate challenge, it also provides an excellent opportunity to offer homeless individuals a more long-term solution through Rapid Rehousing.

Rapid Rehousing

As described by the United States Interagency Council on Homelessness (USICH) via http://usich.gov/usich_resources/solutions/explore/rapid_re_housing:

Rapid re-housing is the practice of focusing resources on helping families and individuals quickly move out of homelessness and into permanent housing, which is usually housing in the private market. Services to support rapid re-housing include housing search and landlord negotiation, short-term financial and rental assistance, and the delivery of home-based housing stabilization services, as needed. Priority is placed on helping individuals and families move into permanent housing as rapidly as possible and providing services to help them maintain housing. Rapid re-housing has demonstrated effectiveness in reducing homelessness, particularly among families. Rapid re-housing also increases turnover in shelters, which allows them to accommodate more families without increasing capacity.

Rapid re-housing serves individuals and families experiencing homelessness who need time-limited assistance in order to get and keep housing. It reduces the length of time people experience homelessness, minimizes the impact of homelessness on their lives, and facilitates their access to resources in the community. Rapid re-housing programs often use a relatively light-touch approach to financial assistance and supportive services, seeking to provide just enough assistance to help people get back into housing, while being available to offer additional support or connections to other resources and programs if more help is needed. Rapid re-

housing does not necessarily ensure that people will have housing that meets the affordability standard (meaning housing where the tenant pays only 30 percent of their income toward housing costs), nor is it designed to eliminate poverty or housing mobility. Even so, data from some experienced programs indicate that 90 percent of households served by rapid re-housing are successfully housed and do not return to shelter. Compared to long stays in shelters and transitional housing programs, the rapid re-housing approach allows communities to assist more households with the same resources.

Two additional points are critical to understand our Region's approach to Rapid Rehousing:

1. **Eligibility:** All clients must have been referred through the Maricopa County Regional Coordinated Entry System. Rapid Rehousing should aim to serve the most acute families and individuals scoring in the Rapid Rehousing range on the VI-SPDAT (Vulnerability Index - Service Prioritization Decision Assistance Tool), which is used to recommend what type of housing and services are best-suited to the individual and/or family completing the assessment. All clients should receive a SPDAT assessment (used as a holistic case management tool) prior to service to ensure appropriateness of the Rapid Rehousing intervention.
2. **Services:** Services include short- and medium-term rental/utility assistance, case management (using assertive and progressive engagement, SPDAT assessment and housing-based case management techniques), housing search and placement, landlord tenant mediation/negotiation, connection to mainstream benefits, SOAR (a national best practice, developed to assist homeless individuals with navigating the Social Security application process), employment search, and any other appropriate and relevant service that will assist a household in obtaining and maintaining permanent housing.

Target Population

One hundred percent (100%) of all Rapid Rehousing recipients will be individuals identified as users of the MOS and the parking lot. Participants will be prioritized by acuity as determined through the VI-SPDAT.

The chart below shows the estimate of how many users of the MOS and the Parking Lot are anticipated to be candidates for Rapid Rehousing based upon VI-SPDAT scores of individuals served by the Human Services Campus.

MOS AND PARKING LOT MODEL

Assumptions for necessary service interventions have been made based on the following information.

Using VI-SPDAT scores from Human Services Campus as of 10/31/14 with 4,455 assessments completed:

- 15% score for Permanent Supportive Housing
- 55% score for Rapid Rehousing
- 30% score for General Assistance

For 500 people (250 former MOS and 250 Parking Lot) the estimated

breakdown of needed interventions is as follows:

Permanent Supportive Housing	75
Rapid Rehousing:	275
General Assistance:	150

To address the Permanent Supportive Housing (PSH) intervention, the city of Phoenix Housing Department committed 75 Housing Choice Vouchers and VSUW provided the supportive services funding to meet the PSH need for 75 individuals. A request for proposal was issued, and a contractor was selected. The program will begin to house individuals by April 1. The General Assistance population is served with resources offered through the service providers on the Human Services Campus and with connections to other community-based resources. No incremental dollars have been allocated to this segment of 150 people.

Demographics

The collection of client specific data on individuals in the MOS and parking lot over the years has been sparse. With a focused effort partners were able to collect the demographics of individuals utilizing the parking lot between 2/9/15 and 3/9/15 as listed below:

- 6% youth aged 18-24
- 5% aged 62 or older
- 23% chronically homeless
- 2% chronically homeless veterans
- 43% reported a disabling condition
- 26% reported income more than \$100 per month
- Average time homeless 4.08 years

Outcomes and Timeline

Rapid Rehousing encourages self-sufficiency through time-limited case management and financial supports. This program allows for the provision of services that are person-centered and provide only the necessary services to maintain housing stability.

Key outcomes include:

1. Reduce length of time experiencing homelessness/utilizing emergency shelter:
 - A goal of Rapid Rehousing is to eliminate homelessness and reduce the length of time individuals experience homelessness by quickly connecting them to housing and case management services.
2. Connect individuals to existing community based services:
 - Leveraging mainstream resources and community supports provide a lower cost service while connecting households to local support systems.
3. Decrease household acuity and increase housing retention measured by the SPDAT assessment at the following points in time:

- After the VI-SPDAT assessment has been conducted, prior to housing referral to determine appropriateness of intervention
 - At no more than 3 business days after move-in
 - 30 days
 - 90 days (as applicable)
 - 180 days (as applicable)
 - 270 days (as applicable)
 - 365 days (as applicable)
 - Every 3 months if program participation exceeds 12 months
 - Any time there are significant changes in the case plan
4. Increase individuals' income:
- Social Security Income/Social Security Disability Income Outreach, Access, and Recovery (SOAR); employment assistance; and other strategies to increase income provide a pathway to self-sufficiency and housing stability without financial supports.
5. Decrease in returns to homelessness:
- Rapid Rehousing models have shown high housing retention rates with less than 10% returning to homelessness; which will reduce the total population of individuals experiencing homelessness in Maricopa County.

Use of Funds

In order to fill the need for Rapid Rehousing VSUW is requesting funds as follows:

City of Phoenix IDA	\$1,000,000
Maricopa County IDA	\$1,000,000

VSUW will match with \$500,000 from private philanthropy.

The total pool of \$2,500,000 will allow for an estimated 250 placements of individuals into Rapid Rehousing across the region. Rapid Rehousing funding from the city of Phoenix, Maricopa County, and Arizona Department of Economic Security totaling \$610,000 has already allowed for placement activity that has occurred over the last six months through a contract with Community Bridge, Inc. The remaining number of individuals expected to be served is 250 with Rapid Rehousing support from this request and the request to Maricopa County IDA for \$1M.

VSUW will manage the combined pool of funding. VSUW will include representatives from the city of Phoenix and Maricopa County throughout the procurement, reporting, and monitoring processes.

Once the funding is received, VSUW will initiate a competitive procurement process to select provider(s) that will deliver Rapid Rehousing services to end the homelessness of individuals that have cycled through the MOS and the parking lot. Housing placement and services are anticipated to begin as soon as possible but no later than June 1, 2015. The number of individuals housed per day, week, month, will be dependent upon the number of providers that apply for and are awarded the contract. There are a number of local, proven service providers with experience that are expected to show interest in

providing these services. Potential service provider applicants include but are not limited to: A New Leaf, Community Bridges, Inc., Lodestar Day Resource Center, Save the Family, and UMOM New Day Centers.

The Rapid Rehousing model is delivered through progressive engagement techniques to transition individuals experiencing homelessness to permanent housing. Funds will be used to support eligible activities, which include: housing relocation and stabilization financial services, housing stability case management, navigation services (including staff supervision, training, quality assurance and oversight), short- and medium-term rental assistance, and rental and utility deposits. The staffing model is one (1) case manager for 20 individuals. Case Managers must have the necessary training to provide the activities as listed; and contracted service providers must also demonstrate adequate staffing and supervision to ensure that outcomes are met.

Since assistance is tailored to each individual, the time that a person receives service and financial assistance will range from 6 to 12 months. Should the pooled funds of \$2,500,000 be insufficient to support 250 people, the numbers served will be adjusted, and mainstream Rapid Rehousing dollars will be requested through current recipients of HUD Emergency Solutions Grants (ESG).

Budget

EXPENSES - FY 14/15		
Expense	Average Cost Per Tenant	Total Cost for 250
Rapid Rehousing (Contractor costs related to housing relocation and stabilization financial services, housing stability case management, navigation services, short- and medium-term rental assistance, and rental and utility deposits.)	\$ 9,000	\$ 2,250,000
Move in household goods, furniture, etc.	\$ 1,000	\$ 250,000
TOTAL COSTS		\$ 2,500,000

Reporting

Once the number of providers is determined, VSUW will communicate the timeline for project ramp up and implementation to the IDA. As housing placements begin, VSUW will provide weekly reports on progress.

VSUW will require quarterly outcomes reporting from contracted provider(s). These reports will then be shared with the IDA.

Valley of the Sun United Way Experience

Since 1925, VSUW has worked to advance the common good by joining with businesses, nonprofits, the faith-based community, and state and local governments to develop, provide, and manage innovative

programs. Today, VSUW is the largest nonprofit funder of health and human services in Maricopa County, with a service area of 25 cities and towns in the Phoenix-metro area. VSUW's strength is in leveraging collaborations and partnerships to effectively address immediate and long-term challenges. The organization brings the passion, expertise, and resources needed to get things done. VSUW focuses on three community objectives: ensure children and youth succeed; increase financial stability for individuals and families; and end hunger and homelessness.

VSUW has made significant strides in helping to end homelessness and has set a goal of reducing homelessness in Maricopa County by 75% by the year 2020. Toward that end, in 2009 VSUW brought together business leaders, elected officials, municipal and state government leaders, and nonprofits to create an Ending Homelessness Advisory Council tasked with setting the direction of community-wide efforts to end homelessness in Maricopa County. VSUW works with its collaborative partners to focus on the following regional solutions:

Permanent Supportive Housing (PSH) – PSH provides stable housing for people transitioning out of chronic homelessness, and combines it with supportive services to help them tackle the issues that put them on the street. VSUW has brought together teams of nonprofit and for-profit organizations to finance, develop, and manage PSH apartments, and these efforts leverage millions of dollars in rental subsidies each year. Tenants in PSH also need supports including services such as physical and mental health care, recovery services, independent living skills, and job skills training. VSUW supports PSH by funding ongoing services to help residents achieve and maintain stability. Since 2009, VSUW and its collaborative partners have helped to provide more than 600 units of permanent supportive housing to chronically homeless individuals.

Project Connect – In 2008, VSUW and its partners started Project Connect to assist individuals who are at risk of, or experiencing homelessness, complete in one day what might normally take weeks to accomplish. These day-of-service events link guests to vital services and resources by bringing together more than 35 health and human service providers to one accessible location to offer immediate assistance. Caring volunteers help connect guests to much-needed food, clothing, identification documents and vital records, shelter, wellness checks, haircuts and employment services, among many other critical services. Events are rotated, throughout the year, between East Valley, West Valley, and Phoenix geographic regions to best serve the needs of the entire county. To date, VSUW and its partners have served more than 20,000 individuals through Project Connect.

Prevention and Emergency Services – Each year VSUW invests \$3 million in homelessness prevention, intervention, and emergency shelters. These investments go to 23 nonprofit organizations throughout Maricopa County. VSUW works closely with these organizations to monitor progress and maximize the impact of these investments.

VSUW's breadth of experience related to homeless issues makes it perfectly suited to lead the Rapid Rehousing efforts in Maricopa County.

A \$1,000,000 grant from Phoenix IDA for Rapid Rehousing will provide a significant benefit for those individuals who will be adversely impacted by the closing of the MOS and the parking lot.

Thank you in advance for considering this request. We look forward to your reply.

Sincerely,

A handwritten signature in black ink that reads "Katherine K Cecala". The signature is written in a cursive, slightly slanted style.

Katherine Cecala
Chief Operating Officer
Valley of the Sun United Way

Agency Name
A New Leaf, Inc.
Arizona Housing, Inc.
Catholic Charities Community Services (Catholic Charities)
Central Arizona Shelter Services (CASS)
Chandler Christian Community Center (CCCC)
Chicanos Por La Causa, Inc.
Chrysalis Shelter for Victims of Domestic Violence, Inc.
Community Bridges, Inc. (CBI)
Community Legal Services, Inc.
Florence Crittenton Services of Arizona
Friendly House
Homeward Bound
Labor's Community Service Agency
Lodestar Day Resource Center
Native American Connections
New Life Center
Phoenix Indian Center (PIC)
Phoenix Shanti Group, Inc.
Save the Family Foundation of AZ
Sojourner Center
Tempe Community Action Agency
The Salvation Army
The Society of St. Vincent de Paul
Tumbleweed Center for Youth Development
UMOM New Day Centers, Inc.



MEMORANDUM

DATE: April 9, 2015
TO: Members, Board of Directors
FROM: Juan Salgado, Executive Director
SUBJECT: Phoenix IDA Loan Fund

In September 2014, the Board approved the addition of a line of credit option to the Education Loan Fund, which is encompassed within the \$1 million allocation previously made by the Board to fund loans for pre-development costs to schools applying for bond funding. Terms for these existing loans are attached.

Based on interest from other nonprofit bond applicants, I am requesting authorization to change the name of the fund from “Education Loan Fund” to “Phoenix IDA Loan Fund” thereby expanding the Phoenix IDA’s ability to make loans to a wider range of potential applicants and with terms similar to the existing loan programs outlined below.

- **Education Phoenix IDA Pre-Development Loan Fund.** Funds to provide short-term financing of up to \$250,000 for pre-development costs incurred by nonprofit organizations seeking Phoenix IDA bond financing, thus reducing applicants’ overall debt service costs. With a \$500,000 commitment from Arizona Community Foundation (ACF), specifically for education-related loans, there is a combined availability of up to \$1.5 million for these interim loans.
- **Education Phoenix IDA Line of Credit.** This facility targets creditworthy nonprofits that have limited access to credit. It is expected that the loans will range from \$50,000 to \$250,000 for short-term (12 month maximum) loans or lines of credit. Interest rates will be competitively indexed to the Wall Street Journal Prime Rate. The Executive Director is authorized to approve the loans and to execute all documents related to the facility.

I request the Board approve the suggested change, thereby expanding the ability to make other loans consistent with the terms of the existing loan programs described above, and to authorize the Executive Director to make all related lending decisions.

Education Pre-Development Loan Fund
Program Description

Borrower:	A qualified Arizona school-nonprofit in the bonding process with Phoenix IDA.
Finance Amount Per Project:	Up to \$250,000
Pre-Requirement:	A complete application for bond financing must be received for a loan application to be considered.
Deadlines:	A completed loan application must be received by the Phoenix IDA at least 45 calendar days, but no more than 180 calendar days, prior to the anticipated bond closing date. The loan application must also be received at least 15 calendar days prior to the date of loan funding.
Completed Loan Application:	All requirements of loan application are met including, <ul style="list-style-type: none">• related bond application and bond application fee,• loan commitment fee,• proposed uses of funds,• Bond Counsel approval letter,• proposed draw schedule,• Underwriter's highly confident letter, and• access to all relevant information regarding the Applicant's financial condition; if web-based access is not provided, all financial information must be provided in multiple copies with application.
Use of Funds:	To provide interim loans to pay pre-development project costs eligible for bond financing, such as the costs of due diligence, architectural and consulting fees, zoning and permitting costs, insurance, bonding, and other qualified pre-development costs.
Disbursement of Funds:	Funds to be disbursed to borrower either as reimbursement, on requisition, or in combination, as detailed in draw requests submitted to the Escrow Agent.
Source of Repayment:	The repayment source is from bond proceeds upon closing of the bond transaction or other permanent financing.
Documentation:	The parties will prepare and sign a Loan Agreement, Promissory Note and other lender-required documents.

Maturity:	Up to six months (the time required to prepare for closing the bond transaction).
Amortization:	Interest only payments are required on the loan. All principal and any accrued interest will be paid in full at closing.
Interest Rate:	5.5%
Term Loan Rate:	8.5%
Prepayment:	The borrower will have the option to prepay all or any portion of the debt at any time without penalty or premium.
3rd Party Expenses:	All such expenses to be paid by the borrower.
Project Location:	Within the State of Arizona.
Fees:	Non-refundable loan commitment fee of 80 basis points (up to \$2,000), collected at time of loan application.

Education-Line of Credit
Program Description

Borrower:	A qualified Arizona school nonprofit organization .
Credit Line:	Up to \$250,000
Use of Funds:	Short-term cash flow and/or working capital needs.
Disbursement of Funds:	Either one-time or as needed.
Source of Repayment:	Future cash flows from state payments revenues .
Documentation:	The parties will prepare and sign a Loan Agreement, Promissory Note and other lender-required documents.
Maturity:	Up to twelve months with no pre-payment penalty.
Amortization:	Interest only payments are required. All principal and any accrued interest to be paid at maturity.
Interest Rate:	Variable, indexed to WSJ Prime Rate.
Prepayment:	The borrower will have the option to prepay all or any portion of the debt at any time without penalty or premium.
3rd Party Expenses:	All such expenses to be paid by the borrower.
School-Nonprofit Location:	Within the State of Arizona.
Fees:	Origination fee of \$500, renewal fee of \$150 for creditworthy borrowers.



MEMORANDUM

DATE: April 9, 2015
TO: Members, Board of Directors
FROM: Juan Salgado, Executive Director
SUBJECT: Liability Insurance

The Phoenix IDA's \$10 million Errors and Omissions Liability policy and the \$2 million General Liability and Non-Owned and Hired Auto policy both expire on April 26, 2015. The Executive Summary prepared by our broker, USI Insurance Services (USI), formerly HUB International, is attached for your review. The full USI Proposal is available for review upon request.

EXECUTIVE LIABILITY

Until April 2013, Phoenix IDA carried only Directors and Officers (D&O) liability insurance that also included Employment Practices Liability (EPL) insurance. Based on advice from our broker, coverage was expanded last year to include Errors and Omissions (E&O) coverage, due to an expanded scope of business that includes decisions on loan collateral, loan participation and other transactions. E&O covers wrongful acts related to professional services rendered by the organization, while D&O covers general management decisions.

Current coverage is provided to a \$5 million limit by Darwin/Allied World with \$15,000 retention (deductible) and excess coverage for an additional \$5 million by RSUI Group, Inc. (RSUI). Renewal quotes were obtained for the same type and level of coverage. Both carriers have an A.M. Best Strength Rating of A (Excellent) and exceed USI's minimum standards for financial size of VI (\$25-\$50 million Policy Holder's Surplus) with long track records in the industry. The total quote for the combined coverage is \$17,587.34, up by approximately 1.4% from the expiring coverage premium of \$17,348.54. The policies from Darwin and RSUI are available for review upon request.

GENERAL LIABILITY AND AUTO

General liability and auto insurance coverage are provided by Essex. The automobile coverage is for Non-Owned and Hired Auto, for claims over and above the driver's own automobile insurance coverage, up to \$1 million. The General Liability coverage is combined with the auto coverage, up to \$1 million per occurrence and \$2 million in aggregate. The total quote for this combined coverage is \$1,444.80, up by approximately 12% from the current premium of \$1,290.00. However, the General Liability deductible of \$500 was removed on the renewal quote. These policies are also available for review upon request.

RECOMMENDATION

USI and I recommend approval by the Board, with concurrence from legal counsel, of the E&O, D&O and EPL coverage offered by Darwin & RSUI plus the General Liability and Non-Owned and Hired Auto offered by Essex, for a total cost of \$19,032.14 for the coming year.

Executive Summary

Thank you for the privilege of representing The Industrial Development Authority of the City of Phoenix, Arizona for its' insurance needs. In this Summary we highlight some, but not all, of the key points for consideration. These points may or may not reflect items that you believe have the greatest merit and we encourage you to review the entire proposal.

Executive Management Liability with Employment Practices Liability

1. The premium for the combined Darwin/Allied World and RSUI has increased by 1.376% over expiring with a \$238.80 total. This increase is due to the carrier amending the Excess Coverage paper to non-admitted which adds surplus lines tax and fees. This change was due to underwriting guideline changes to follow the non-admitted primary coverage and various rating issues. However, still much lower than prior year premiums with savings over \$8,900.
2. The Darwin/Allied World policy provides defense costs outside in addition to the limit of liability(except for non-monetary relief defense), thereby preserving the limit for indemnity payments.
3. The Darwin/Allied World policy retentions are same as expiring, no changes.
4. The Darwin/Allied World policy does not contain a manuscript Errors & Omissions exclusion endorsement.
5. Darwin/Allied World is a non-admitted company; it is an approved Excess & Surplus Lines company and as such, there would be no financial guaranty funds available such as is the case with admitted firms.

General Liability / EBL and Hired & Non-Owned Auto

1. The Hired and Non-Owned Auto Liability policy includes a special endorsement to extend coverage to the Board Members. Remember that insurance follows the car, so the individual's primary auto policy will be primary.
2. The renewal premiums on the expiring coverage lines are up slightly by \$154.80 which is reflected in the Employee Benefits Liability and the Hired and Non-Owned Auto. The General Liability remains at the \$500 minimum premium. However, the General Liability Deductible of \$500 was removed on the 2015 renewal quote.

In order to bind coverage, USI Insurance Services requires:

1. Completed, signed and dated Client Authorization to Bind form, Page 19.
2. Terrorism Acceptance/Rejection Form(s) with your election.
3. Check(s) for the premiums shown.

Notes:

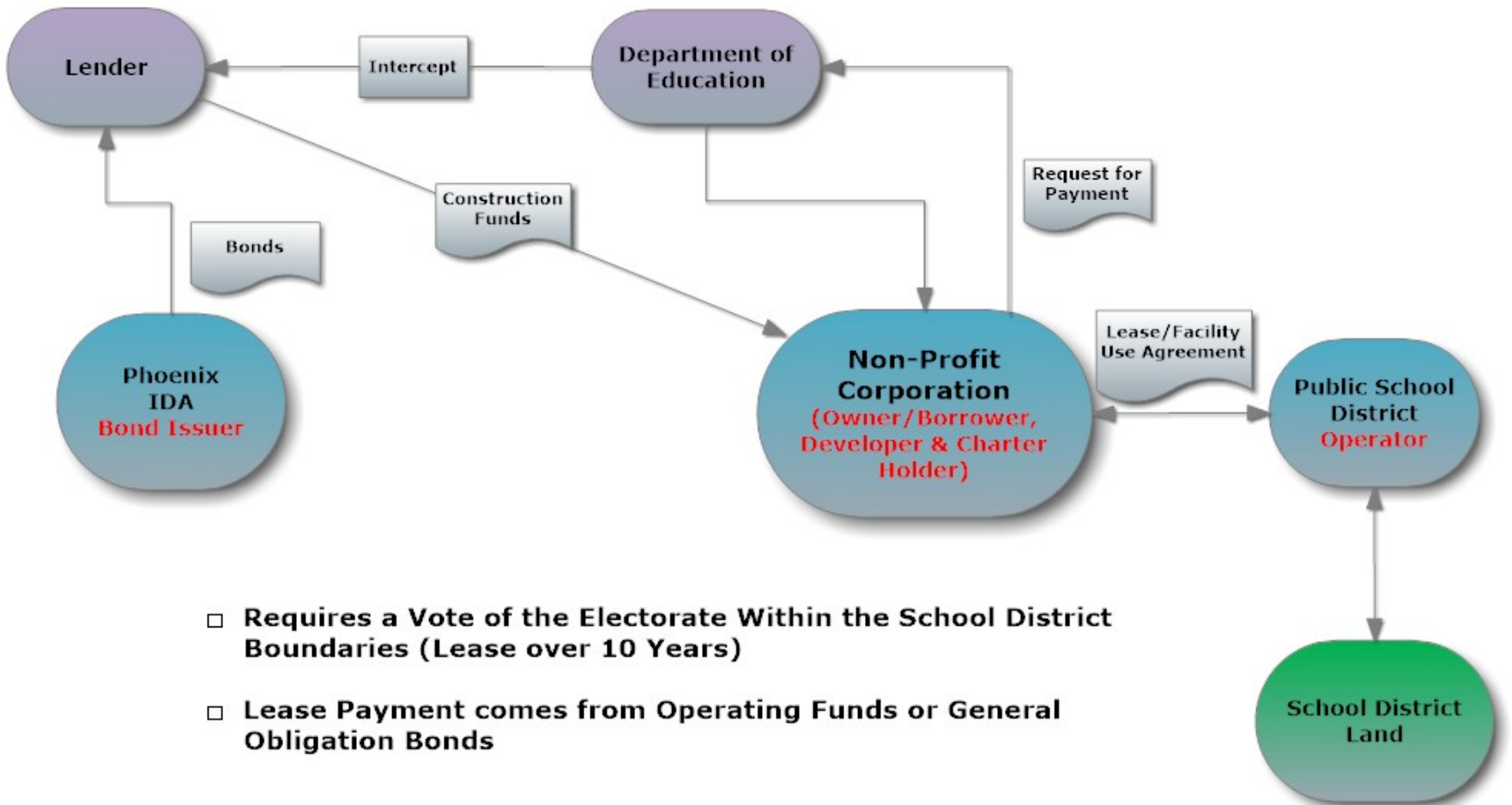
- Prior to renewal, please review all coverage's and limits, and let us know if any changes are warranted. The policies will include a number of exclusions, limitations and conditions that need to be fully understood prior to your acceptance; all specimen policy forms are available upon request. Please refer to actual policies for coverage, terms, conditions and exclusions.

Let us know if you have any questions and Thank you for your business.

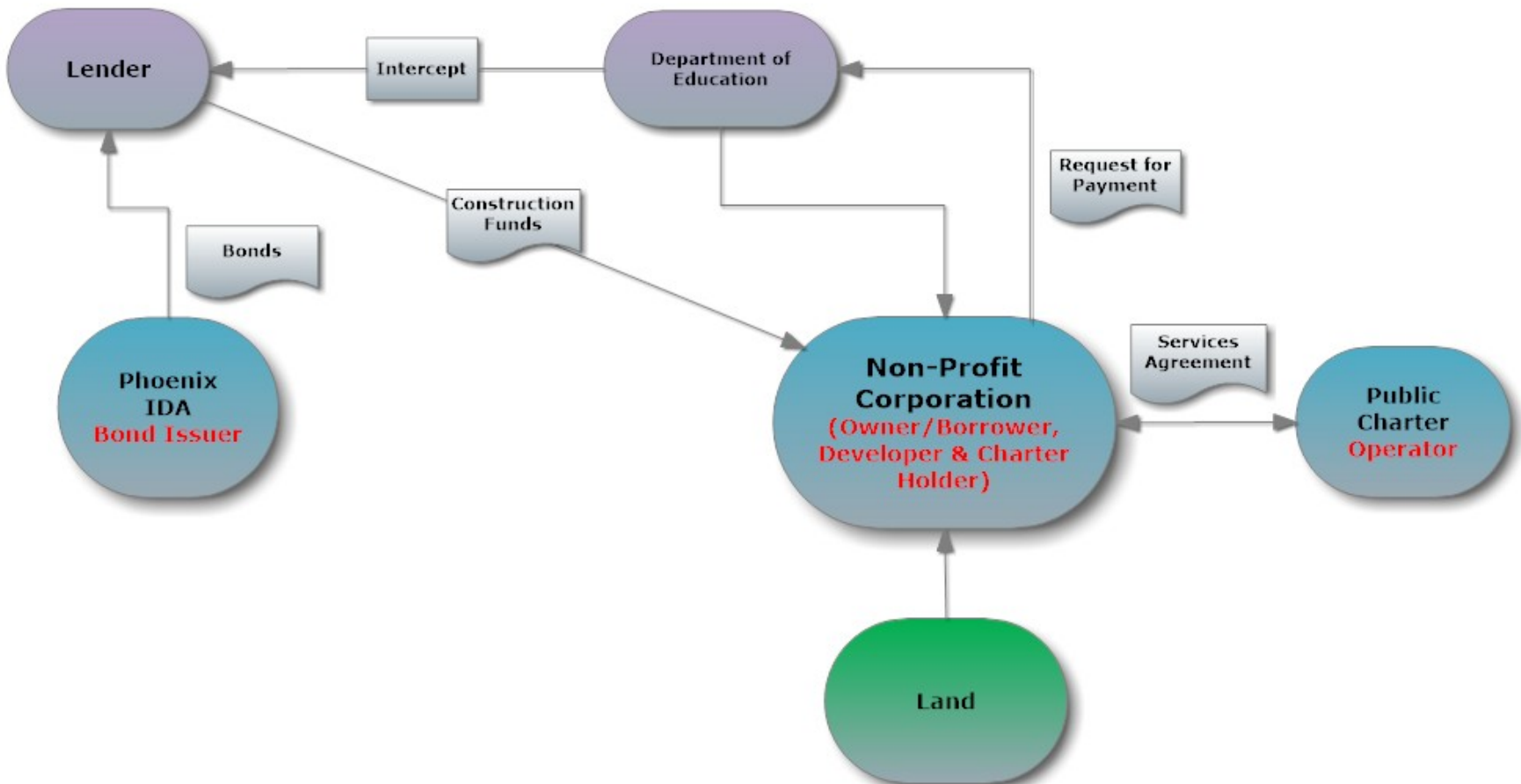
Sincerely,

Vicki Negbee, CIC, CISR
Sr. Account Manager
USI Insurance Services
(602) 749-4211 office

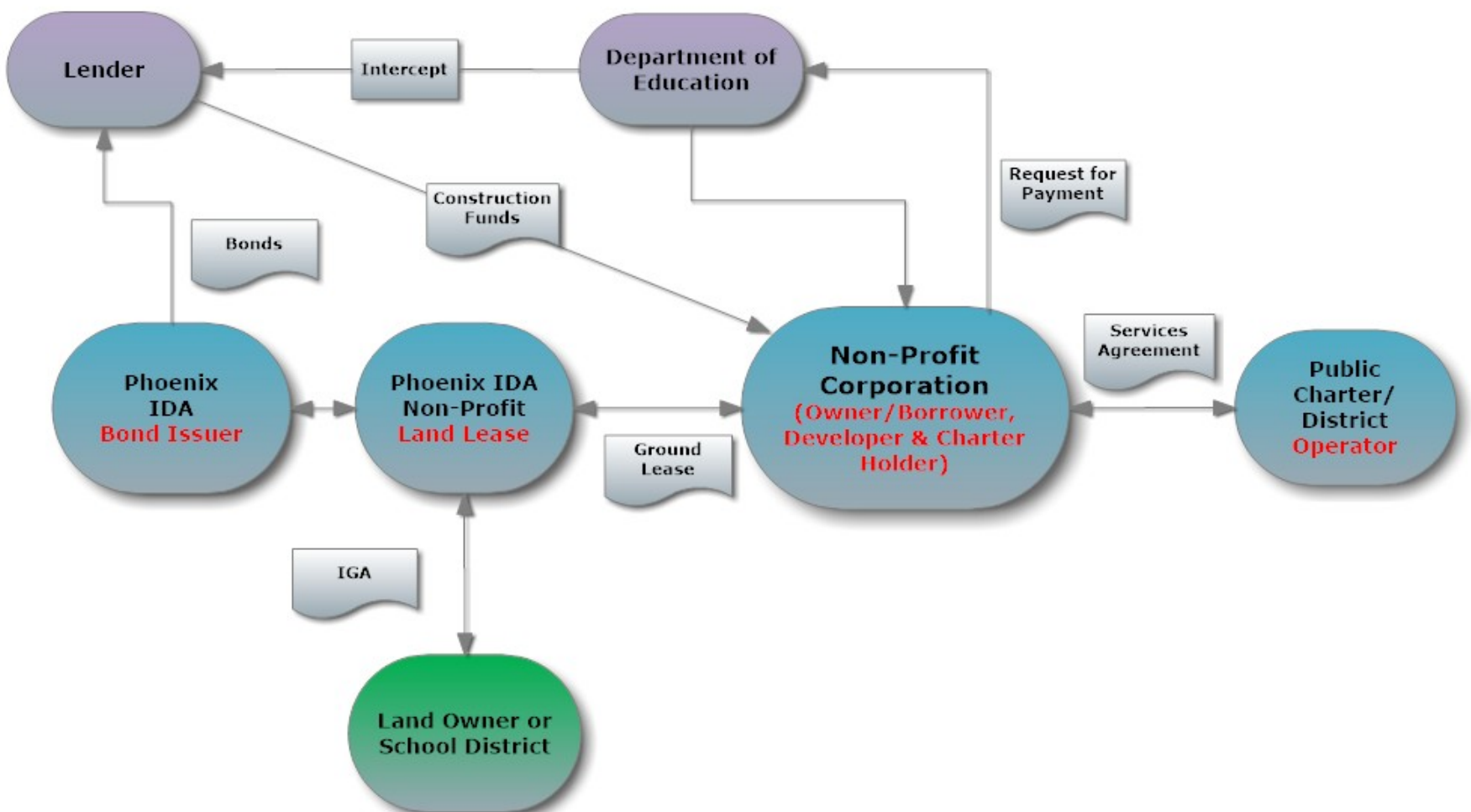
Public School Finance Model - School District



Public School Finance Model - Charter School



Public School Finance Model - Charter or District



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\$102,500,000 (Revolving) The IDAs of Phoenix & Maricopa County Home in Five “Advantage” Mortgage Origination Program

Quarterly Board Summary 4/9/15 (data as of 3/31/15)

Program Sponsors: IDAs of Phoenix & Maricopa County

Program Size: \$102.5 million. Funds are revolving - currently no more than \$102.5 million in mortgage loans may be reserved at one time...increased over time from original \$25 million facility size. However, as loans are cancelled or are purchased by the Servicer, pooled into GNMA, then sold to the Purchaser, such amounts are added back into the \$102.5 million pool.

Professionals: Counsel – *Ryley, Carlock & Applewhite (MCIDA)* and *Kutak Rock (PIDA)*, Structuring Agent/GNMA Purchaser – *Raymond James*, Trustee/Custodian & DPA Escrow Agent – *Zions Bank*, Servicer – *US Bank*, Online Loan Reservations - *eHousingPlus*

Start Date: 9/4/12 – Mortgage loan reservations begin, funded through the Raymond James non-bond “Turnkey”/TBA platform

Rates/DPA/Income: The Phoenix & Maricopa County IDAs *Home in Five Advantage* program started 9/4/12 with a mortgage rate of **3.875%** and a **5% down payment assistance (DPA)** grant. The program mortgage rate changes periodically to remain competitive with market and was **4.50%** as of 3/31/15...when the “market” rate mortgage was approximately 3.875%. **Qualified Veterans & Military Personnel currently receive a 6% DPA grant.** Net revenue/profit on the GNMA deliveries through 3/31/15 has been **\$4.1 million** per IDA.

Eligible Loans: FHA/VA/USDA-RD (all 30-year, fixed rate)

Eligible Loan Area: Mortgage loans under the program may be made to qualifying borrowers throughout Maricopa County, including the City of Phoenix.

Program Requirements:

1. First-Time Homebuyers: Because this is not a bond program there is no first-time homebuyer requirement, and borrowers are not subject to federal “recapture tax.”
2. Income Limit: \$88,340 (140% of Area Median Family Income – AMFI)
3. Purchase Price Limit: \$300,000

Demographic and Loan Information to Date:

Program Averages:

Loan Amount – \$162,795
 Purchase Price – \$165,989
 Household Income – \$53,726
 Borrower Age – 37
 Household Size – 2

Loan Type:

FHA – 97%; VA – 3%; USDA-RD < 1%;

House Type:

Single Family Detached – 95%; Townhouse – 3%; Condominium – 2%; Other - < 1%

Existing/New Home:

Existing Home – 92%; New Home – 8%

Ethnicity:

White – 57%; Hispanic – 32%; African-American – 5%; Asian – 2%; Other – 4%

First-time Homebuyers:

First-time Homebuyer – 99%; Non-First-time Homebuyer – 1%

Male/Female Homebuyers:

Male – 62%; Female – 38%

Qualified Veterans & Military Personnel - 6% DPA Grant:

159 loans (3.39% of total loans reserved to date)

Breakdown by City:

	City	No. of Loans
1	Anthem	13
2	Apache Junction	8
3	Avondale	190
4	Buckeye	199
5	Cave Creek	3
6	Chandler	218
7	El Mirage	145
8	Fountain Hills	4
9	Gila Bend	1
10	Gilbert	289
11	Glendale	376
12	Glendale Luke AFB	2
13	Goodyear	134
14	Higley	1
15	Laveen	134

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16	Litchfield Park	24
17	Mesa	692
18	New River	4
19	Paradise Valley	1
20	Peoria	232
21	Phoenix	1299 (28%)
22	Queen Creek	51
23	Rio Verde	1
24	Scottsdale	54
25	Sun City	70
26	Sun City West	7
27	Sun Lakes	3
28	Surprise	257
29	Tempe	97
30	Tolleson	130
31	Tonopah	2
32	Waddell	19
33	Wickenburg	2
34	Wittmann	1
35	Youngtown	26
	Total	4,689

Lender Origination: 4,689 mortgage loans from 80 active program lenders totaling \$763.34 million as of 3/31/15!

	Participating Lenders	Loan Count	Loan Amount
1	Academy Mortgage	337	\$ 58,025,919
2	All Western Mortgage Inc.	7	1,127,505.00
3	Alliance Financial Resources	104	16,064,645
4	American Financial Network, Inc.	1	178,728
5	American Mortgage & Equity Consultants	8	1,162,083
6	American Pacific Mortgage Corporation	1	166,259
7	AmeriFirst Financial, Inc.	348	57,101,730
8	AmeriPro Funding, Inc.		
9	Axia Financial, LLC	2	319,113
10	Bay Equity Home Loans	8	1,146,250
11	Bell Mortgage, A Division of Bell State Bank and Trust	3	558,050
12	BMO Harris Bank, N.A.	2	263,069
13	BNC National Bank	1	144,827
14	Broker Solutions Inc. (dba New American Funding)	30	4,876,500
15	CalCon Mutual Mortgage LLC dba OneTrust Home Loans		
16	Caliber Home Loans, Inc.	25	4,264,173
17	Castle & Cooke Mortgage	35	5,366,783

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18	CFS Mortgage Corporation	9	1,554,336
19	Cherry Creek Mortgage Company		
20	Citizens Home Loans of America, Inc.	2	428,102
21	Citywide Home Loans	12	1,913,458
22	Cobalt Mortgage, Inc.	83	13,164,818
23	Cornerstone Home Lending	5	984,602
24	DHI Mortgage	126	18,923,055
25	Envoy Mortgage	28	4,572,043
26	Everett Financial, Inc. d/b/a Supreme Lending	1	152,470
27	Evergreen Moneysource Mortgage Co dba Evergreen Home Loans	11	1,734,089
28	Fairway Independent Mortgage Corp	76	12,866,317
29	First Choice Loan Services, Inc.	11	1,684,057
30	First Continental Mortgage, Ltd.	1	186,558
31	First Option Mortgage, LLC dba First Option Lending	3	452,401
32	First National Bank Texas dba First Community Mortgage	1	154,156
33	Fisher Financial Group, Inc. d/b/a NationsChoice Mortgage	2	323,040
34	Gencor Mortgage	9	1,196,424
35	GSF Mortgage	3	411,695
36	Guaranteed Rate, Inc.		
37	Guild Mortgage	118	18,103,777
38	Home Community Mortgage, LLC (Nationstar Mortgage)	4	857,193
39	Homebridge Financial Services, Inc. formerly REM Network (REMNI)	17	2,878,333
40	Homeowners Financial Group	136	21,005,877
41	HomeStreet Bank	12	1,698,656
42	International City Mortgage, Inc.	2	352,671
43	K. Hovnanian American Mortgage	18	3,910,907
44	Land Home Financial Services	4	717,247
45	Lendsmart Mortgage	21	3,350,028
46	LHM Financial Corp dba CNN Mortgage	66	10,948,766
47	LoanDepot.com (loanDepot dba iMortgage)	510	82,148,812
48	Michigan Mutual, Inc.	4	542,001
49	MidFirst Bank	12	2,021,266
50	Mortgage Management Consultants, Inc.		
51	Mortgage Solutions of Colorado LLC		
52	Mountain West Financial, Inc.		
53	Movement Mortgage	66	10,524,313
54	National Bank of Arizona	13	1,691,757
55	Nationstar Mortgage	2	435,270
56	New Penn Financial, LLC		
57	New West Lending	29	4,514,850
58	Nova Home Loans	428	70,791,953
59	OCMBC, Inc.		
60	OnQ Financial, Inc.	71	11,406,347
61	Peoples Home Equity d/b/a Redstone Mortgage	5	881,195

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62	Peoples Mortgage	251	39,595,443
63	People's National Bank		
64	Pinnacle Capital Mortgage Corporation	50	7,873,792
65	Primary Residential Mortgage	272	45,909,137
66	PrimeLending	88	15,003,422
67	PrimeSource Mortgage, Inc.		
68	Prospect Mortgage	327	52,859,199
69	Pulte Mortgage	5	1,016,386
70	Renew Lending, Inc.	3	410,427
71	Republic Mortgage Home Loans	3	542,140
72	Right Start Mortgage, Inc.	1	155,138
73	RMC Mortgage Corporation	4	959,226
74	RPM Mortgage, Inc.		
75	Sacramento 1st Mortgage, Inc. dba Comstock Mortgage	40	6,889,693
76	Service First Mortgage		
77	Shea Mortgage	1	161,029
78	Sierra Pacific Mortgage		
79	South Pacific Financial Corporation	1	184,103
80	Starboard Financial Management, LLC dba Starboard Financial		
81	Stearns Lending, Inc.	87	13,806,496
82	Suburban Mortgage, Inc.	24	3,826,893
83	Summit Funding, Inc.	6	1,157,797
84	Sun American Mortgage Company	22	3,798,386
85	Sunstreet Mortgage LLC		
86	The Lending Company	12	1,707,634
87	Universal American Mortgage Company (UAMC)	64	11,073,853
88	US Bank, FKA Firststar Bank	2	250,616
89	V.I.P. Mortgage	129	21,670,107
90	Venta Financial Group, Inc.	1	108,007
91	Veritas Funding, LLC	6	981,195
92	W. J. Bradley Mortgage Capital, LLC	11	1,557,366
93	Wallick & Volk	240	39,962,203
94	Waterstone Mortgage	119	18,234,162
95	Wells Fargo Home Mortgage	84	12,905,892
96	Weststar Mortgage Corporation	3	496,847
	Total	4689	\$ 763,345,063

Takeaways:

1. The Phoenix & Maricopa County IDAs initiated "**Home in Five Advantage**" as an innovative non-bond mortgage program two and a half years ago in September 2012 – 1st in Arizona & among the 1st in the nation.
2. Since that time, the program has expanded the business of 80 private sector mortgage lending partners.
3. It has enhanced the housing market and economic recovery throughout Phoenix & Maricopa County.
4. It has produced \$4.1 million in net revenue per IDA.
5. It has provided more some \$763 million in mortgage funds and \$38 million in DPA grants,
6. Finally & most importantly, the IDAs' joint Home in Five Advantage program now has assisted some **4,689 low/mod first-time homebuyer families** to achieve the American Dream of home ownership.

I. Actions and Activities Covered by Open Meeting Law

- A meeting “the gathering, in person or through technological devices, of a quorum of members of a public body at which they discuss, propose or take legal action, including any deliberations by a quorum with respect to such action.”
- Email communications may be considered a meeting
- Splintering the Quorum
- Serial Communications
- Communications through staff

II. Executive Sessions

- Personnel matters, confidential records, legal advice, litigation, contract or settlement negotiations, salary negotiation, purchase and sale or lease of real property.
- All discussions are confidential
- No action may be taken

III. Quorum

- What constitutes a quorum
- Impact of disqualification on quorum

IV. Penalties for Violation

- Nullification
- Investigation and Enforcement
- Civil Penalties
- Attorney’s Fees
- Removal from Office

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100	Original Effective Date: March 11, 2008
ETHICS	
SUBJECT	Page 1 of 2
CONFLICT OF INTEREST	Effective Date: February 6, 2013

A. CONFLICT OF INTEREST AND INDUCEMENT

Members of the Board of Directors of the Industrial Development Authority of the City of Phoenix, Arizona (the "Authority"), the Executive Director, and employees of the Authority are prohibited from receiving compensation of any kind from vendors, realtors, brokers, contractors, mortgage lenders, clients, or any similar entities or individuals for the purpose of receiving preferential treatment of any kind.

"Kickback" means any money, fee, commission, credit, gift, gratuity, object of value, offer of employment, or compensation of any kind which is provided, directly or indirectly, to any member of the Board of Directors, the Executive Director or Authority employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with grant assistance programs, client referrals or contacts.

The Authority prohibits members of the Board of Directors, the Executive Director and any Authority employee from soliciting, accepting, or attempting to accept any kickbacks. The Authority also prohibits vendors, realtors, brokers, contractors, mortgage lenders, clients, or any similar entities or individuals from providing or attempting to provide any kickbacks to members of the Board of Directors, the Executive Director or Authority employees.

Authority employees will be immediately terminated from employment if it is determined that they are soliciting, accepting, or attempting to accept any kickbacks. Any vendors, realtors, brokers, contractors, mortgage lenders, clients, or any similar entities or individual in violation of this policy will be prohibited from doing business with the Authority. Finally, individuals or entities determined to be engaging in kickback practices may also be subject to additional civil or criminal penalties as provided under Arizona State Revised statutes and U.S. law.

B. CONFLICT OF INTEREST

Situations of actual or potential conflict of interest are to be avoided by all members of the Board of Directors, the Executive Director and employees of the Authority. A conflict of interest may exist when any such individual's personal activities or financial affairs adversely influence such individual's judgment or performance of duties for the Authority. An actual or potential conflict of interest occurs when such an individual is in a position to influence a decision that may result in a personal gain

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100	Original Effective Date: March 11, 2008
ETHICS	
SUBJECT	Page 2 of 2
CONFLICT OF INTEREST	Effective Date: February 6, 2013

for that individual or for a relative or friend as a result of the Authority business dealing. Personal involvement with a competitor, supplier or subordinate employee of the Authority, which impairs an employee's ability to exercise good judgment on behalf of the Authority, creates an actual or potential conflict of interest.

Except for gifts allowed under subsection G of the "General Ethics Policy: Gifts, Favors, and Extra Compensation," no gifts or gratuities, unless deemed to be of minimal value, shall be accepted by the Executive Director, staff or any member of the Board of Directors from any individual or businesses that is in any way associated with the Authority. For purposes of this paragraph, minimal value shall be deemed as \$25.00.

C. PROCEDURES

Below is a key procedure to maximize the effectiveness of this policy:

- No later than 24 months after the last review period, the Board of Directors shall, upon action of the Executive Committee, review and act to continue and/or amend, or terminate this Policy.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 101
SECTION 100	Original Effective Date: March 11, 2008
ETHICS	
SUBJECT	Page 1 of 7
GENERAL ETHICS POLICY	Effective Date: February 6, 2013

The Industrial Development Authority of the City of Phoenix, Arizona (“the Authority”) was established in 1981 by the City of Phoenix under the Industrial Financing Act, Arizona Revised Statute Section 35-701 et. seq. The Authority is an Arizona non-profit corporation and political subdivision of the State of Arizona possessing the corporate powers set forth in Section 35-706 of the Arizona Revised Statutes.

The City of Phoenix adopted the “City of Phoenix Ethics Policy” codified in the City Code, Ch. 2, Art. II, Section 2-52. Upon appointment to the Authority, each member of the Board of Directors of the Authority agreed to comply with the City of Phoenix Ethics Policy. The Authority formally adopts the following policies:

A. ATTENDANCE

If a member fails to attend three consecutive regular meetings, or more than 50% of all meetings of the Board of Directors held over a calendar year period, the City Council may declare the seat vacant and appoint a replacement. See City Code, Art. 1 § 2-40.

Comment: Members of the Board of Directors are expected to attend all regularly scheduled meetings and should make every effort to do so. The City Council appointed each member of the Board for each member’s experience, background and perspective in a particular policy area, and wants the benefit of each member’s consideration and judgment. Moreover, the Board of Directors shall not conduct any business unless a quorum is present. Accordingly, if a member of the Board of Directors must miss a meeting because of business, vacation or illness, please advise the chairperson of the Board of Directors or Committee of the Board of Directors and the Executive Director in advance of the meeting.

B. CONFLICTS OF INTEREST

As a political subdivision of the State of Arizona, the Authority is subject to and must comply with Arizona’s Conflict of Interest Laws.

Comment: The Authority, members of the Board of Directors, the Executive Director and employees of the Authority must be constantly on guard against conflicts of interest. In short, a member of the Board of Directors, the Executive

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Director or an employee of the Authority should not be involved in any activity which might be seen as conflicting with the responsibilities of his or her position with the Authority. The people of Phoenix have a right to expect that members of the Board of Directors, the Executive Director and employees of the Authority act with independence and fairness toward all groups and will not favor a few individuals or themselves. The Authority considers Conflicts of Interest a very important ethical consideration that requires its own detailed policy.

C. CONTRACTS WITH THE CITY

Arizona law prohibits any member of the Board of Directors, the Executive Director or employee of the Authority who has, or whose relative has, "a substantial interest in any contract, sale, purchase, or service to" the Authority from participating in any way with the transaction. See A.R.S. § 38-503 (A).

Comment: As with other conflicts of interest, any member of the Board of Directors, the Executive Director or employee of the Authority in such a situation must (i) make known the substantial interest involved, and (ii) refrain from voting upon or otherwise participating in the transaction or the making of such contract or sale.

D. DISCLOSURE OF CONFIDENTIAL INFORMATION

Arizona law provides that, during an individual's employment or service with the Authority and for two years thereafter, no such individual may disclose or use confidential information without appropriate authorization. See A.R.S. § 38-504(B). "Confidential information" means any and all information which is not generally known but which becomes known as a consequence of the individual's employment or service with the Authority, whether relating to the Authority or a third party, whether oral or in writing, and whether or not marked "confidential", "proprietary" or "private." "Confidential information" does not include: (i) information that was generally available to the public at the time of disclosure; (ii) information that later becomes publicly known other than through the individual's actions; or (iii) information that was already known to the individual before he/she learned it from or through his/her relationship with the Authority. Moreover, if during the individual's employment or service with the Authority, such individual learns information that constitutes a trade secret, he/she shall be obligated to maintain the secrecy of the

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information for so long as the information constitutes a trade secret, but in no case for less than two years after the employment or service ends, unless the Authority authorizes him/her to reveal information.

Comment: Members of the Board of Directors, the Executive Director and employees of the Authority may have access to important non-public information regarding the property, operations, policies or affairs of the Authority and/or of the City of Phoenix. Such information may concern real estate transactions, expansion of public facilities or other City projects. The leaking of this inside information may benefit a few at the expense of a possible monetary loss to the Authority or the City and a deterioration of public confidence. If a member of the Board of Directors, the Executive Director or employee of the Authority are privy to confidential information, such individual may not disclose that information to any private citizen and should disclose it to other public employees only on a "need to know" basis.

E. DISCRIMINATION

Chapter XI, Section 2 of the City Charter provides: "No person shall be appointed to, removed from or in any way favored or discriminated against with respect to any city position because of race, color, ancestry, national origin, sex, political or religious opinions or affiliations." Illegal discrimination on the basis of sexual orientation, age, marital status, pregnancy, disability, citizenship status, veteran status, or military obligation or any other basis prohibited by law is also forbidden. Harassment on the basis of sex is a violation of Title VII of the U.S. Civil Rights Act of 1964, as amended. The United States Equal Employment Opportunity Commission (EEOC) defines sexual harassment as "unwelcome" sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when: 1) submission to such conduct is made wither explicitly or implicitly a term or condition of an individual's employment; 2) submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual; or 3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Comment: All people must be recognized, honored and mutually respected. The United States and Arizona Constitutions, as well as numerous federal, state

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and local laws, outlaw various forms of discrimination. The Authority should make available to every person – whether they are applying for a Board position or employment position of the Authority – every consideration, treatment, and advantage or favor that is the general practice to make available to all citizens. The equality of opportunity to enter into public service, besides being the object of various federal, state and local laws, is a central factor in achieving efficient public service and good morale. The Authority promotes an environment where all members, employees and citizens are respected and valued.

F. EMPLOYMENT

1. Representing Private Interests Before the Authority: For twelve months following the termination of a person's service as a member of the Board of Directors, or employment with the Authority, Arizona law prohibits such individuals from representing another person for compensation before the Authority concerning any matter with which that individual, during their time of service to the Authority, was directly concerned and personally participated in by a substantial and material exercise of administrative discretion. See A.R.S. § 38-504(A).

Comment: Members of the Board of Directors, the Executive Director and employees of the Authority may appear before the Authority on behalf of constituents in the course of performing duties as a representative of the electorate or in the performance of public or civil obligations, as long as they are not representing any private person, group or interest for compensation that is contingent on such activity.

2. Employment of Relatives: Arizona law prohibits members of the Board of Directors, the Executive Director and employees of the Authority from being involved in the appointment, hiring or supervision of a relative. See A.R.S. § 38-481 and A.R. § 2.91.

Comment: Because hiring and supervising a relative is a special type of a conflict of interest, it must be avoided.

- ### G. GIFTS, FAVORS AND EXTRA COMPENSATION:
- Neither any member of the Board of Directors, the Executive Director or any employee of the Authority shall

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accept any gift, service or favor that would lead toward favoritism or the appearance of favoritism in any way.

Comment: Board Members or employees of the Authority should not accept gifts (monetary or otherwise, such as a service, loan, thing or promise), gratuities, or favors from anyone for the performance of acts within the regular course of official duties. Board Members and employees of the Authority should refuse any gifts or favors that reasonably may be interpreted to have been offered in order to influence an Authority decision. Compensation for an Authority employee performing that employee's duty is limited to salaries, fringe benefits and any personal satisfaction that such person may derive from doing a good job. While a Board Member or employee of the Authority is the first to decide whether to accept any gift, such person must recognize that others will decide if there is "the appearance of favoritism" for such person having accepted a gift. Finally, Board Members and employees of the Authority should be wary of accepting any gifts or benefits from individuals doing business with the Authority or the City or whose financial interests are affected by Authority action.

1. Board Members and employees of the Authority must consider ethical principles before accepting personal gifts of entertainment and sports/athletic activities.

Comment: After the above gift policy is applied, if a Board Member or employee of the Authority accepts the entertainment or sports/athletic activity gift and does not pay for it, such Board Member or employee must declare the gift with the President of the Board, within two working days, using a "Declaration Form." Gifts must be declared regardless of whether the gifts are actually used by the Board Member or employee. If the President of the Board accepts the entertainment or sports/athletic gift and does not pay for it, the President must declare the gift with the Vice President of the Board.

There are three examples of gifts that do not require declaration:

- a. A personal gift from a friend or relative, unless that friend or relative has done business with the Authority, is doing business with the Authority or is seeking to do business with the Authority.

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- b. Winning or receiving a promotional gift from a community business, where the opportunity to win/receive the gift is open to the community in general.
- c. Board Members or employees of the Authority who pay for a ticket or elect to make a charitable contribution in the name of the donor for the face value of the gift do not need to file a declaration.
- d. Acknowledgements of voluntary service from the Authority.
- e. All other gifts accepted must be declared regardless of whether the Board Member or employee of the Authority personally used the gift.

H. POLITICAL ACTIVITY

As citizens, Board Members and employees of the Authority can and should exercise their rights to register and vote in all elections including City elective offices. The City Attorney, in opinion No. 60-012, determined that the provisions of Chapter XXV, Section 11 of the City Charter, do not apply to citizen members of City boards and commissions and, therefore, Board Members may participate in political campaigns for City elective officials.

I. PUBLIC ACCESS: OPEN MEETINGS AND PUBLIC RECORDS

Numerous Arizona and City laws require that meetings of public bodies be open to the public and that public records be available for inspection. See Open Meeting Laws (A.R.S. §§ 38-431 through 431.09 and City Charter Ch. 4 & 5) and Public Records Laws (A.R.S. §§ 39-121 through 121.03 and City Charter Ch. 4 & 21).

Comment: As declared in state statute, it is the official public policy of Arizona that meetings of public bodies be conducted openly. Also, Arizona law allows broad access to public records. Open government gives the public confidence that public affairs are being performed properly.

J. USE OF EQUIPMENT, FACILITIES, OR PERSONNEL FOR PRIVATE GAIN

Members of the Board of Directors, the Executive Director and employees of the Authority should not use Authority or City facilities, equipment, personnel or supplies for private purposes, except to the extent they are lawfully available to the public.

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Comment: Public respect for its government is weakened when Authority-owned or City-owned facilities and equipment are used by members of the Board of Directors, the Executive Director or employees of the Authority for personal gain. Authority or City office supplies, work materials and equipment are to be used only for the Authority work. Taking Authority or City goods for private use is not a "fringe benefit," it is stealing. See A.R.S. §13-1802. Also, it is improper (and maybe unlawful) for supervisors to use subordinates for their personal benefit. Finally, members of the Board of Directors, the Executive Director and employees of the Authority should avoid waste of public supplies and equipment.

K. WHISTLEBLOWER POLICY

The Authority promotes ethical conduct, transparency and compliance with the law. Should any individual know of, or have a suspicion about, illegal or unethical conduct in connection with the finances or other aspect of the Authority's operations, that individual should inform the President of the Board of Directors. If the alleged wrongdoing concerns the President, then another officer or director of the Authority should be notified instead.

Should the President or another officer or director of the Authority receive information regarding alleged illegal or unethical conduct in connection with the finances or other aspect of operations, those officers or directors shall inform the full Board of Directors. The Board of Directors shall investigate all credible allegations at all times respecting the privacy and reputation of individuals involved.

There will be no punishment or other retaliation for the reporting of conduct pursuant to this policy. If the person providing the information requests anonymity, this request will be respected to the extent that doing so does not impede any investigation.

L. PROCEDURES

Below is a key procedure to maximize the effectiveness of this policy:

- No later than 24 months after the last review period, the Board of Directors shall, upon action of the Executive Committee, review and act to continue and/or amend, or terminate this Policy.