



**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, October 8, 2015 at 3:30 PM** located at **Phoenix City Hall, 200 West Washington Street, 1st Floor, Assembly Room B, 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. August 13, 2015 Board Meeting
- b. August 27, 2015 Nominating Committee
- c. August 28, 2015 Board Meeting
- d. September 16, 2015 Board Meeting

2. Home in Five Advantage Quarterly Report.

3. 2015 - 2016 Plan. Presentation, discussion and possible action to approve the 2015-2016 Plan.

4. 207 E. McDowell Property. Presentation, discussion and possible action to approve the property transfer and related expenses fund.

5. Board of Directors Election of 2016 Officers.

6. 2016 Committee Assignments.

7. President's Report.

8. Executive Director's Report.

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: October 7, 2015



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

August 13, 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, August 13, 2015 at 3:30 p.m., at the Calvin C. Goode Municipal Building, 251 West Washington Street, 9th Floor, Conference Room 910, Phoenix, Arizona.

Board Members present:

Ms. Judy Bernas (*Telephonically*)
Mr. Tommy Espinoza (*Chair*) (*Telephonically*)
Mr. Don Keuth (*Telephonically*)
Ms. Barbara Ryan Thompson (*Telephonically*)
Ms. Charlene Tarver (*Telephonically 3:32*)
Ms. Marian Yim (*Telephonically*)

Board Members absent:

Mr. Bruce Mosby
Mr. Sal Rivera
Ms. Christa Severns

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Mr. Murray Boess, Phoenix IDA
Ms. Wendy Gutierrez, Phoenix IDA
Ms. Stacy Houston, Raymond James & Associates, Inc. (*Telephonically*)
Ms. Lydia Lee, Phoenix IDA
Mr. Mark O’Brien, Raymond James & Associates, Inc. (*Telephonically*)
Mr. Pat Ray, Kutak Rock LLP (*Telephonically*)
Mr. C.W. Ross, Fennemore Craig, P.C.
Mr. Juan Salgado, 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.

Director Espinoza called the Board meeting to order at 3:30 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes

Meeting minutes for the July 9, 2015 and July 29, 2015 Board of Directors were presented for approval. Director Keuth moved to approve the minutes. Director Bernas seconded the motion. **Motion carried unanimously.**

ITEM 2: Home in Five Advantage Preferred Conventional Single Family Program

Mr. Salgado introduced the Home in Five Advantage Preferred program, and asked Mr. Boess to brief the Board members on the program.

The Board was briefed on the Home in Five Advantage Preferred Program, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Director Bernas moved to approve **Resolution 2015-15** as recommended by the executive director and legal counsel to the Phoenix IDA. Director Keuth seconded the motion. **Motion carried unanimously.** A copy of Resolution 2015-15 is attached hereto, and by this reference is made a part hereof.

ITEM 3: July 29, 2015 Finance Committee Report

Mr. Salgado introduced the item, and asked Mr. Boess to brief the Board members on the Finance Committee Report.

Mr. Boess provided a brief overview noting that the Finance Committee had reviewed the financial statements for the period ending June 30, 2015 and the Operating Budget for fiscal year 2016 at its July 29, 2015 meeting, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Mr. Salgado requested ratification of the Finance Committee's approval of the aforementioned financial statements and adjusted operating budget. Director Bernas Treasurer concurred that the quarterly financial statements had been reviewed in detail, and recommended approval.

Director Bernas moved to approve the Financial Statements for the period ending June 30, 2015 and the Operating Budget for fiscal year 2015-2016 effective July 1, 2015. Director Keuth seconded the motion. **Motion carried unanimously.**

ITEM 4: Call to the Public

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

With no further business to come before the Board, being duly moved and seconded, the Board meeting was adjourned at 3:47 p.m.



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

August 27, 2015

A public meeting of the Nominating Committee of the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”) was convened on Thursday, August 27, 2015 at 1:00 p.m., at the Calvin C. Goode Municipal Building, 251 West Washington Street, 9th Floor, Conference Room 910, Phoenix, Arizona.

Committee Members present:

Mr. Don Keuth (*Chair*)
Ms. Marian Yim

Committee Members absent:

Mr. Bruce Mosby

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Ms. Wendy Gutierrez, Phoenix IDA
Ms. Lydia Lee, Phoenix IDA
Mr. C.W. Ross, Fennemore Craig, P.C.
Mr. Juan Salgado, 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.

Director Keuth called the Nominating Committee meeting to order at 1:05 p.m. A quorum was noted.

ITEM 1: **Nomination Process for Election of 2016 Officers**

Mr. Salgado introduced the item, and asked Mr. Ross to brief the Committee members on the nomination process for election of officers.

The Committee was briefed on the nomination process for election of officers, as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

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

ITEM 2: **Schedule for Election of 2016 Officers**

Mr. Salgado introduced the item, and asked Ms. Lee to brief the Committee members on the election process schedule.

The Committee was briefed on the election process schedule, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

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

ITEM 3: Call to the Public

Direct Keuth made a call to the public. There were no comments.

With no further business to come before the Nominating Committee, being duly moved and seconded, the Nominating Committee meeting was adjourned at 1:13 p.m.



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

August 28, 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 Friday, August 28, 2015 at 2:30 p.m., at the Calvin C. Goode Municipal Building, 251 West Washington Street, 9th Floor, Conference Room 910, Phoenix, Arizona.

Board Members present:

Ms. Judy Bernas (telephonic)
Mr. Tommy Espinoza
Mr. Don Keuth (telephonic)
Mr. Bruce Mosby (telephonic)
Ms. Marian Yim (telephonic)

Board Members absent:

Mr. Sal Rivera
Ms. Barbara Ryan Thompson
Ms. Christa Severns
Ms. Charlene Tarver

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Ms. Sarah Cline, Phoenix IDA
Mr. C.W. Ross, Fennemore Craig, P.C. (telephonic)
Mr. Juan Salgado, Phoenix IDA
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.

Director Espinoza called the Board meeting to order at 2:31 p.m. A quorum was noted.

ITEM 1: Purchase of Land and Improvements

Mr. Salgado introduced the item, and requested Mr. Santellanes to assist in briefing the Board on the project; noting that the transaction is for closure of the purchase.

The Board was briefed on the acquisition of land and improvements located at 207 East McDowell Road, as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

Director Keuth moved to approve **Resolution 2015-16** as recommended by the executive director and legal counsel to the Phoenix IDA. Director Bernas seconded the motion. **Motion carried unanimously.** A copy of Resolution 2015-16 is attached hereto, and by this reference is made a part hereof.

ITEM 2: Call to the Public

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

With no further business to come before the Board, being duly moved and seconded, the Board meeting was adjourned at 2:41 p.m.



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

September 16, 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 Wednesday, September 16, 2015 at 1:30 p.m., at the Calvin C. Goode Municipal Building, 251 West Washington Street, 9th Floor, Conference Room 904, Phoenix, Arizona.

Board Members present:

Ms. Judy Bernas (*Telephonically*)
Mr. Tommy Espinoza (*Chair*) (*Telephonically*)
Mr. Bruce Mosby (*Telephonically*)
Mr. Sal Rivera (*Telephonically*)
Ms. Charlene Tarver (*Telephonically*)
Ms. Marian Yim (*Telephonically*)

Board Members absent:

Mr. Don Keuth
Ms. Barbara Ryan Thompson
Ms. Christa Severns

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Mr. William DeHaan, Greenberg Traurig, LLP (*Telephonically*)
Ms. Wendy Gutierrez, Phoenix IDA
Mr. Steve Jorgenson, Solterra Senior Living (*Telephonically*)
Ms. Lydia Lee, Phoenix IDA
Mr. Juan Salgado, Phoenix IDA
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.

Director Espinoza called the Board meeting to order at 1:33 p.m. A quorum was noted.

ITEM 1: Multifamily Housing Revenue Bonds (Solterra 3rd Indian School, LLC Assisted Living Project) Series 2015.

Mr. Salgado introduced the item, and requested Mr. Santellanes to brief the Board on the project; noting Solterra Senior Living was seeking approval of bond financing in an amount not to exceed \$28,000,000, as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

Mr. DeHaan, legal counsel for the Phoenix IDA for this transaction, advised the Board that his firm had conducted a legal review of the project, noted that the documents were in substantially final form and recommended approval of the project.

Mr. Jorgenson gave a brief background summary of Solterra 3rd Indian School, LLC Project to the Board.

Director Bernas moved to approve **Resolution 2015-17** as recommended by the executive director and legal counsel to the Phoenix IDA. Director Rivera seconded the motion. **Motion carried unanimously.** A copy of Resolution 2015-17 is attached hereto, and by this reference is made a part hereof.

ITEM 2: Call to the Public

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

With no further business to come before the Board, being duly moved and seconded, the Board meeting was adjourned at 1:39 p.m.

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\$250,000,000 (Revolving) The IDAs of Phoenix & Maricopa County Home in Five "Advantage" Mortgage Origination Program

Quarterly Board Summary 10/8/15 (data as of 9/30/15)

Program Sponsors: IDAs of Phoenix & Maricopa County

Program Size: \$250 million. Funds are revolving - currently no more than \$250 million in mortgage loans may be reserved at one time...increased over time from the original \$25 million facility size. However, as loans are cancelled or are purchased by the Servicer, pooled into mortgage-backed securities, then sold to the Purchaser, such amounts are added back into the \$250 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. The program is not funded through traditional tax-exempt single family mortgage revenue bonds, but rather through the Raymond James "Turnkey"/TBA platform...a pioneering "non-bond" mortgage origination & down payment assistance (DPA) program funded by Raymond James, and priced/hedged by us via the taxable forward "to be announced" (TBA) market for GNMA's.

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 gift-grant for DPA. The program mortgage rate changes periodically to remain competitive with market and was **4.375%** as of 9/30/15, with a standard **4.00% DPA grant**...when the "market" rate mortgage was approximately 3.84%. **Qualified Veterans & Military Personnel currently receive an additional 1% DPA grant, as do effective 10/1/15 First Responders & Teachers.** Net revenue/profit on the mortgage-backed securities deliveries through 9/9/15 has been **\$6.3 million** per IDA.

Eligible Loans: FHA/VA/USDA-RD (all 30-year fixed rate & pooled into GNMA Certificates). The program launched Fannie Mae-eligible "Conventional" loan reservations on 10/1/15 (also 30-year fixed rate, pooled into FNMA Certificates).

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."

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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 – \$168,202
Purchase Price – \$171,537
Household Income – \$54,276
Borrower Age – 37
Household Size – 2

Loan Type:

FHA – 97.28%; VA – 2.26%; USDA-RD < 1%;

House Type:

Single Family Detached – 94%; Townhouse – 3%; Condo – 2%; Other - < 1%

Existing/New Home:

Existing Home – 92%; New Home – 8%

Ethnicity:

White – 53%; Hispanic – 34%; African-American – 5%; Asian – 2%; Other – 6%

First-time Homebuyers:

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

Male/Female Homebuyers:

Male – 62%; Female – 38%

Qualified Veterans & Military Personnel – Add'l 1% DPA Grant:

207 loans (2.79% of total loans reserved to date)

Breakdown by City:

	City	No. of Loans
1	Aguila	1
2	Anthem	21
3	Apache Junction	14
4	Avondale	287
5	Buckeye	352
6	Carefree	8
7	Cave Creek	5
8	Chandler	342
9	El Mirage	218
10	Fountain Hills	6
11	Gila Bend	18
12	Gilbert	475
13	Glendale	598

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14	Glendale Luke AFB	2
15	Goodyear	198
16	Higley	1
17	Laveen	217
18	Litchfield Park	39
19	Mesa	1072
20	Morristown	3
21	New River	6
22	Palo Verde	30
23	Paradise Valley	2
24	Peoria	381
25	Phoenix	2024 (27%)
26	Queen Creek	81
27	Rio Verde	1
28	San Tan Valley	1
29	Scottsdale	79
30	Sun City	101
31	Sun City West	14
32	Sun Lakes	6
33	Surprise	390
34	Tempe	139
35	Tolleson	193
36	Tonopah	2
37	Waddell	29
38	Wickenburg	3
39	Wittman	2
40	Youngtown	33
	Total	7,394

Lender Origination: 7,394 mortgage loans from 95 program lenders totaling **\$1.24 billion** as of 9/30/15! The top five lenders are listed below.

	Participating Lenders	#Loans/%	Loan Amount
1	Academy Mortgage Corporation	701 (9.48%)	\$ 125,345,609
2	LoanDepot.com, LLC dba iMortgage	666 (9.00%)	110,117,801
3	NOVA Financial & Investment Corp.	617 (8.34%)	104,429,106
4	Amerifirst Financial, Inc.	560 (7.57%)	93,979,410
5	Prospect Mortgage, LLC	440 (5.95%)	72,197,635

Takeaways:

1. The Phoenix & Maricopa County IDAs initiated “**Home in Five Advantage**” as an innovative non-bond mortgage program just three 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 95 private sector mortgage lending partners.
3. It has enhanced the housing market and economic recovery throughout Phoenix & Maricopa County.
4. It has produced \$6.3 million in net revenue per IDA.
5. It has provided more than \$1.24 billion in mortgage funds and some \$60 million in DPA grants.
6. Finally & most importantly, the IDAs’ joint Home in Five Advantage program now has assisted some **7,394 low/mod first-time homebuyer families** in Phoenix & Maricopa County to achieve the American Dream of home ownership.

CITY COUNCIL REPORT

TO: Ed Zuercher
City Manager

FROM: Paul Blue
Deputy City Manager

SUBJECT: INFORMATION ON THE PHOENIX IDA

This report provides information on The Industrial Development Authority of the City of Phoenix, Arizona (Phoenix IDA), including revenues and expenses, 2015-2016 plan, and some of its programs.

THE ISSUE

The Phoenix IDA was created in 1981 to provide bond financing for community and economic development projects. Since January 2009, the Phoenix IDA has issued more than \$1.5 billion in bonds for programs to increase job opportunities within the community, support education and healthcare, and provide housing for underserved communities, benefitting the residents of Phoenix and Arizona. Eligible bond applicants include for profit-entities, nonprofit 501(c) organizations, or public agencies. With the exception of housing projects, the Phoenix IDA can issue bonds for projects located anywhere in Arizona. The Phoenix IDA may also issue bonds to finance projects outside of Arizona if the project provides a benefit within the state.

While the Phoenix IDA Board has supported staff in its efforts to provide bond financings in certain market sectors, including district schools, healthcare, multifamily housing, higher education, and manufacturing, market conditions determine the types of projects financed. Attachment A provides year-by-year information on bond issuances for the last three fiscal years, as well as summary information for the period January 2009 to June 2015.

With a staff of eight currently working with an operating budget of approximately \$1.7 million, the Phoenix IDA is financially independent. It utilizes revenues primarily generated from fees associated with bond financings and homeownership programs to pay for all of its expenses. Attachment B provides information on revenues and expenses during the last three fiscal years.

The Phoenix IDA invests in programs that mainly benefit residents within the greater Phoenix area, small businesses, and communities throughout the city. Improving the standard of living for Phoenix residents, these programs support education, nonprofit organizations, small business expansion, and affordable housing.

Community Impact Fund

The Community Impact Fund (CIF) provides funds for a public purpose to maximize community or social impact, while seeking repayment of principal and a return on capital investment. Returns may be measured in traditional yield on investment, such as interest on loans, or in other impacts, such as education, job creation, innovation, improving social services, or some combination thereof. In August 2015, the Board approved an allocation of up to \$14 million for the CIF in fiscal year 2016.

Through the CIF, the Phoenix IDA has partnered with the City on three land purchases for the development of the properties. These Phoenix IDA City-related land investments total more than \$3 million. Recently, the City Council approved the release of a Request for Proposals for the development of 7.5 acres acquired with CIF funding. In addition, the Phoenix IDA Board recently voted to consider a \$2 million loan request from the City's Community and Economic Development Department to assist with the proposed development of the high-rise, mixed-use Phoenix Central Station project. Attachments C-1(a), C-2(a), and C-3(a) provide information on CIF land investments made during the last three fiscal years.

Home in Five Advantage – Mortgage Origination Program

In September 2012, the Phoenix IDA and the Maricopa County IDA partnered to launch Home in Five Advantage – Mortgage Origination Program. The program assists homebuyers in obtaining a Federal Housing Administration, U.S. Department of Veterans Affairs, or U.S. Department of Agriculture – Rural Development loan to purchase a new or existing home. The program provides a competitive mortgage loan interest rate with a 5 percent grant for down payment and closing costs. Targeting low-to moderate-income families and individuals throughout Maricopa County, the program has assisted with the purchase of approximately 6,200 homes and has funded approximately \$1.03 billion in loans for homebuyers through July 2015.

Community Development Fund

Established in 2011, the Community Development Fund (CDF) is supported by revenue generated from non-Arizona bond transactions. In Fiscal Year 2015, these revenues totaled approximately \$320,000. The Phoenix IDA Board of Directors dedicated an additional \$500,000 in revenues from the Guam transaction to the CDF in December 2014. The Board has authorized \$250,000 in support of education, healthcare, and science and technology community investments, which is being matched by the Arizona Community Foundation. In addition, the CDF will support a commitment of \$1 million to the Valley of the Sun United Way "Rapid Rehousing Initiative." Attachment D provides information on CDF investments made during the last three fiscal years.

Phoenix IDA Loan Fund

The Loan Fund includes two programs: Phoenix IDA Pre-Development Loan Fund and the Phoenix IDA Line of Credit. The Pre-Development Loan Fund provides short-term financing of up to \$250,000 for pre-development costs incurred by nonprofit organizations seeking Phoenix IDA bond financing. Up to \$1.5 million is available for

these loans, including \$500,000 from the Arizona Community Foundation for education-related loans.

The Line of Credit program provides short-term loans of between \$50,000 and \$250,000 to nonprofits with limited access to credit. Interest rates are indexed to the Wall Street Journal Prime Rate, with interest only payments until maturity. Attachments C-1(b), C-2(b), and C-3(b) provide information on loans made during the last three fiscal years.

Small Business and Nonprofit Lending Program

Through this program, creditworthy small businesses, including nonprofit organizations, have the opportunity to receive loans to help expand their operations. Since July 2012, the program has helped finance more than \$2.9 million in loans to local businesses in healthcare, education, and downtown redevelopment. Attachments C-1(c), C-2(c), and C-3(c) provide information on loans made during the last three fiscal years.

2015-2016 PLAN

The Phoenix IDA's 2015-2016 plan concentrates business development efforts on projects to: 1) create and/or retain jobs, 2) support local Arizona investments, and 3) boost the local community. The main elements of the plan include:

Public Finance

- Healthcare: Assisted Living Facilities, Healthcare Providers, and Hospitals.
- Community and Economic Development: Multifamily Housing and Qualifying 501(c) Projects.
- Tax-Exempt Bonds for Manufacturers Program
 - Small manufacturers seeking bond financing for expansion.
 - Partnership with the City of Phoenix's Community and Economic Development Department and Alliance Bank.
- Education: District School Financing Model, Higher Education, and Charter Schools.

Residential Mortgage Programs

- Home in Five Advantage Mortgage Origination Program – Government Loans
 - Expand 4 percent Down Payment Assistant to include First Responders and Teachers.
 - Homeownership Assistance of \$1 million for moderate- to low-income prospective homebuyers.
- Home in Five Advantage Mortgage Origination Program – Conventional Loans

- Down Payment Assistance Program of 3 percent for first-time homebuyers.
- Mortgage Credit Certificate Program for moderate- to low-income homebuyers.

The Board has encouraged staff to focus programmatic efforts on:

Community Impact Fund

- Increased fund to \$14 million.
- Develop strategy for fiscal year 2015 – 2016.

Community Development Fund

- Designate \$1 million for award to Phoenix projects/programs.
- Enter into an agreement with the Arizona Community Foundation to administer the fund.

OTHER INFORMATION

Industrial Development Authorities (IDAs) are formed under the Industrial Development Act of Arizona of 1968 (Title 35, Chapter 5, of the Arizona Revised Statutes). IDAs have the statutory authority to issue tax-exempt bonds for 17 types of qualifying projects under A.R.S § 35-701 (1) (xii). With the exception of multifamily housing, bonds issued by an IDA can finance projects located anywhere in Arizona.

In addition, IDAs may also issue bonds to finance projects outside of Arizona, if the out-of-state project provides a benefit within the State, as determined by its Board of Directors. However, the Phoenix IDA has a practice of only issuing out-of-state revenue bonds when there are no local issuers present or available to support the bonding needs in these locations.

The community development and community impact investments previously mentioned require the Phoenix IDA's monetary commitment. However, the commitment does not end there. The Phoenix IDA will continue to engage in other community and economic development activities, including collaborating with City departments in an effort to assist with job creation and retention efforts. Further, the Phoenix IDA continues to work toward identifying opportunities to assist small businesses and nonprofit organizations through its various loan programs.

RECOMMENDATION

This report is for information and discussion.

Attachment A

Phoenix IDA Bond Issues

	<u>FY 2013 Total</u>	<u>FY 2014 Total</u>	<u>FY 2015 Total</u>
Education			
Charter schools	\$ 80,095,000	\$ 183,902,764	\$ 228,010,000
District schools	69,250,000		107,405,000
Universities		10,000,000	
Subtotal	<u>\$ 149,345,000</u>	<u>\$ 193,902,764</u>	<u>\$ 335,415,000</u>
Multifamily Housing		4,100,000	8,700,000
Community Development¹			19,000,000
Health		183,100,000	12,941,000
Solid Waste Disposal	184,065,000		
Total	<u><u>\$ 333,410,000</u></u>	<u><u>\$ 381,102,764</u></u>	<u><u>\$ 376,056,000</u></u>

Phoenix IDA Bond Issues

	<u>January 2009 thru June 2015 Total</u>
Education	
Charter schools	\$ 560,557,764
District schools	176,655,000
Private nonprofit	84,940,000
Universities	192,095,000
Subtotal	<u>\$ 1,014,247,764</u>
Multifamily Housing	26,400,000
Community Development¹	19,000,000
Health	196,041,000
Manufacturing	79,000,000
Solid Waste Disposal	184,065,000
Total	<u><u>\$ 1,518,753,764</u></u>

¹ Community Development includes other nonprofit

Attachment B

Phoenix IDA Revenues and Expenses

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>
Revenues			
User Assessment Fees/Bond Redemption	\$ 2,300,617	\$ 1,119,182	\$ 1,014,804
Residential Mortgage Program Fees	459,775	1,537,040	3,586,686
Other Income	595,391	240,364	342,736
Total Revenues	<u>\$ 3,355,783</u>	<u>\$ 2,896,586</u>	<u>\$ 4,944,226</u>
Expenses			
General and Administration	\$ 1,167,056	\$ 965,984	\$ 1,022,095
Community Development Fund	185,000	174,650	1,517,972
Other Expenses	159,952	243,024	141,201
Total Expenses	<u>\$ 1,512,008</u>	<u>\$ 1,383,658</u>	<u>\$ 2,681,268</u>

Attachment C-1

Phoenix IDA Land Portfolio as of June 30, 2013 {Development Agreements with City of Phoenix}

C-1a

	Start	Phoenix IDA %	Total Purchase	Phoenix IDA Portion	Repaid to Phoenix IDA	Phoenix IDA Balance
North First Avenue	1/26/2012	50%	\$ 315,000	\$ 157,500	\$ 0	\$ 157,500

Phoenix IDA Loan Portfolio as of June 30, 2013

	Total Loan	Phoenix IDA Portion	Repaid to Phoenix IDA	Phoenix IDA Balance
Phoenix IDA Loan Fund				
Great Hearts Academies*	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Morrison Education*	215,000	107,500	23,130	84,370
Phoenix Collegiate Academy*	250,000	125,000	125,000	0
Subtotal	\$ 715,000	\$ 482,500	\$ 398,130	\$ 84,370
Small Business and Nonprofit				
Healthy Concepts LLC dba Luci's Marketplace	\$ 374,000	\$ 66,500	\$ 10,043	\$ 56,457
Levine Machine	500,000	250,000	0	250,000
NCA Development, Inc. dba Natural Choice Academy	165,000	41,250	5,672	35,578
On Time Air Conditioning and Heating	100,000	25,000	1,918	23,082
Subtotal	\$ 1,139,000	\$ 382,750	\$ 17,633	\$ 365,117
Total	\$ 1,854,000	\$ 865,250	\$ 415,763	\$ 449,487

C-1b

C-1c

* Nonprofit borrower

Attachment D

Phoenix IDA Community Development Fund

	<u>FY 2013 Total</u>	<u>FY 2014 Total</u>	<u>FY 2015 Total</u>
Education			
A Stepping Stone Foundation			\$ 12,500
Academia del Pueblo	\$ 10,000		
ACCEL (AZ Centers for Comprehensive Education and Life Skills)			11,500
AGUILA Youth Leadership Institute			5,000
Brunson-Lee Elementary School			32,200
Crisis Nursery	10,000		
Desert Mission, Inc. - Lincoln Learning Center	10,000		
Eagle College Prep	10,000		
Educare Arizona			10,000
Great Hearts Academies		\$ 22,650	
Imagine Schools at Camelback	10,000		
INROADS, Inc.	25,000		
Maricopa Community Colleges Foundation			5,000
Maryvale Preparatory Academy	10,000		
New Schools for Phoenix	50,000		
Phoenix Collegiate Academy	10,000		21,275
Phoenix Public Library Foundation		7,000	
Reid Traditional Schools Painted Rock Academy	10,000		
Reyes Maria Ruiz Leadership Academy	10,000		
Stand for Children Arizona		5,000	
Teleos Preparatory Academy	10,000		
Valley of the Sun United Way Youth & Education STEAM Fund		50,000	10,500
Total	\$ 175,000	\$ 84,650	\$ 107,975
Economic/Community Development			
Arizona Community Foundation		\$ 40,000	
Arizona Fallen Firefighter Memorial			\$ 25,000
ASU Office of Entrepreneurship & Innovation			49,997
CO+HOOTS			75,000

Attachment D

Phoenix IDA Community Development Fund

	<u>FY 2013 Total</u>	<u>FY 2014 Total</u>	<u>FY 2015 Total</u>
Discovery Triangle Development		50,000	
Local First Arizona	\$ 5,000		10,000
Phoenix Parks Foundation			50,000
SEED SPOT	5,000		5,000
Sunnyslope Village Alliance			35,000
UMOM New Day Centers			25,000
Valley of the Sun YMCA			12,500
Total	\$ 10,000	\$ 90,000	\$ 287,497
Health Innovations			
Keogh Health Connection			\$ 50,000
Southwest Autism Research & Resource Center			12,500
Southwest Human Development			25,000
Total	\$ 0	\$ 0	\$ 87,500
Affordable Housing			
Arizona Community Foundation			\$ 35,000
Valley of the Sun United Way			1,000,000
Total	\$ 0	\$ 0	\$ 1,035,000
FY Totals	\$ 185,000	\$ 174,650	\$ 1,517,972

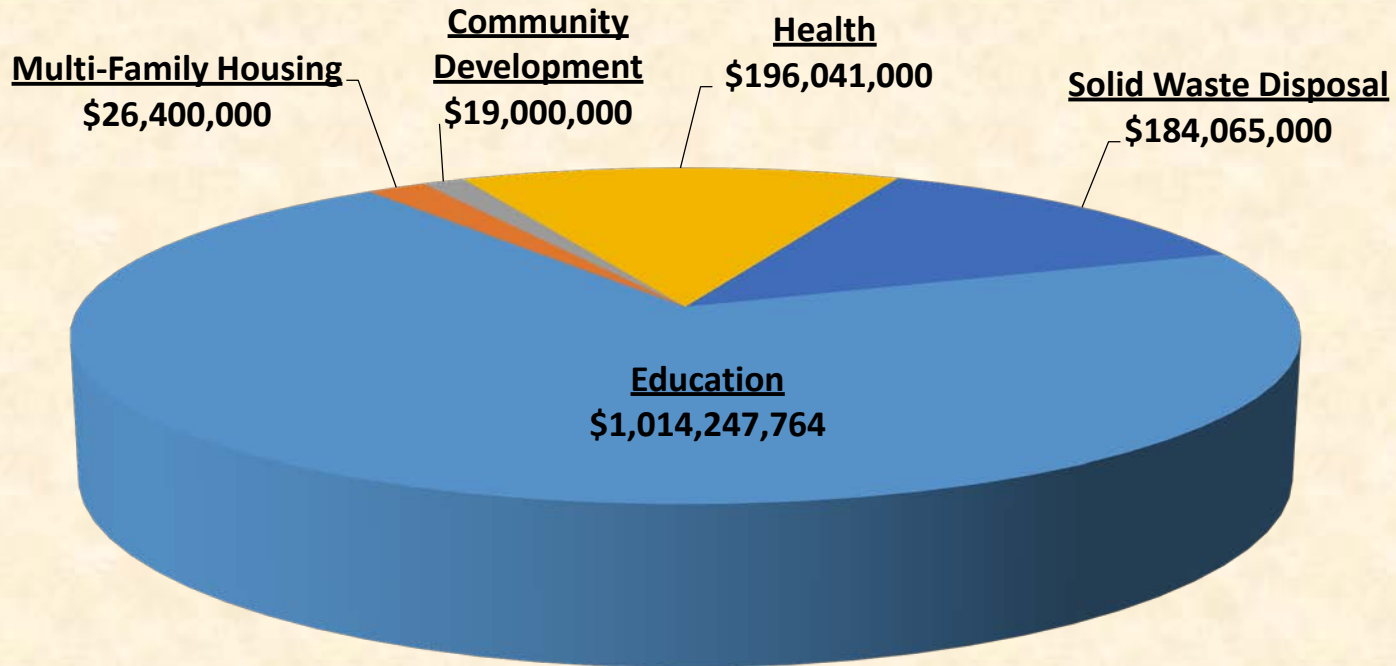
Parks, Arts, Transparency and Education Subcommittee

September 22, 2015

Phoenix IDA Mission Statement

Supporting community and economic development through access to capital.

Bond Issuances 2009 - 2015



Bond Issuances



Girl Scouts –
Arizona Cactus-Pine Council
City Council Dist. 8
16th Street and Dobbins Road



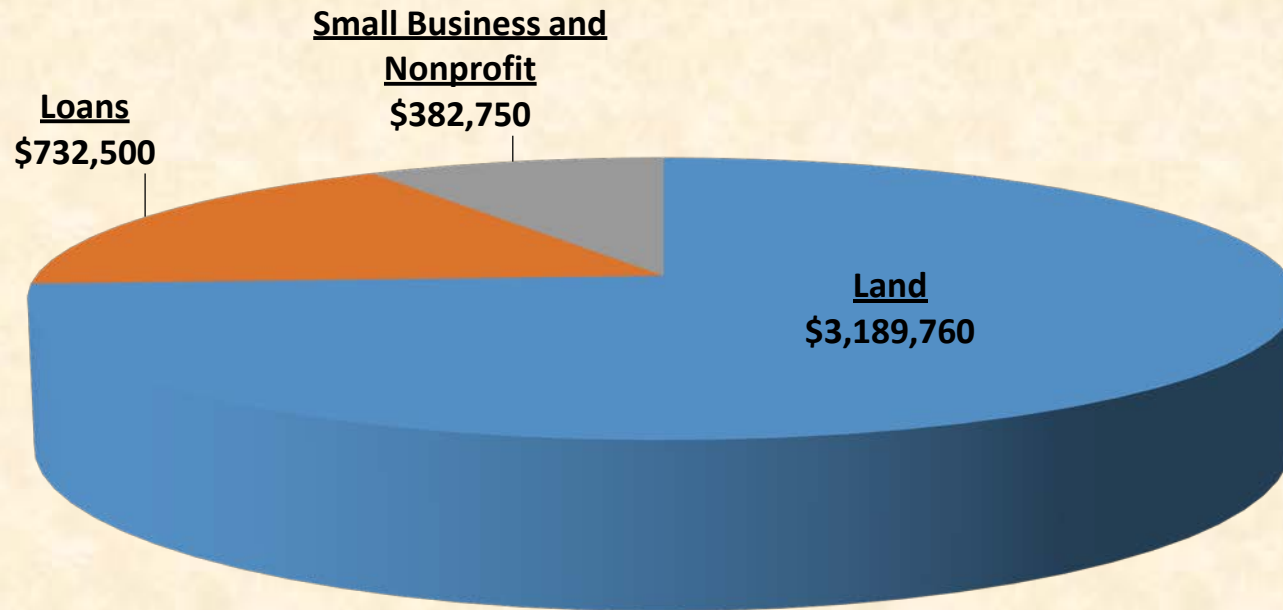
Mayo Clinic – Arizona
City Council Dist. 2
56th Street and Mayo Boulevard



Hill N Dell (Multifamily Housing)
City Council Dist. 6
51st and Taylor Streets

Community Impact Fund

(FYs 2013-2015)



Community Impact Fund



West Fillmore Property (Future Mixed Use/Housing)

City Council Dist. 7

5th — 6th Avenue and Fillmore Street



ArTHAUS (In-fill Housing)

City Council Dist. 4

1st Avenue and McDowell Road

Community Impact Fund



Levine Machine
City Council Dist. 8
6th and Grant Streets

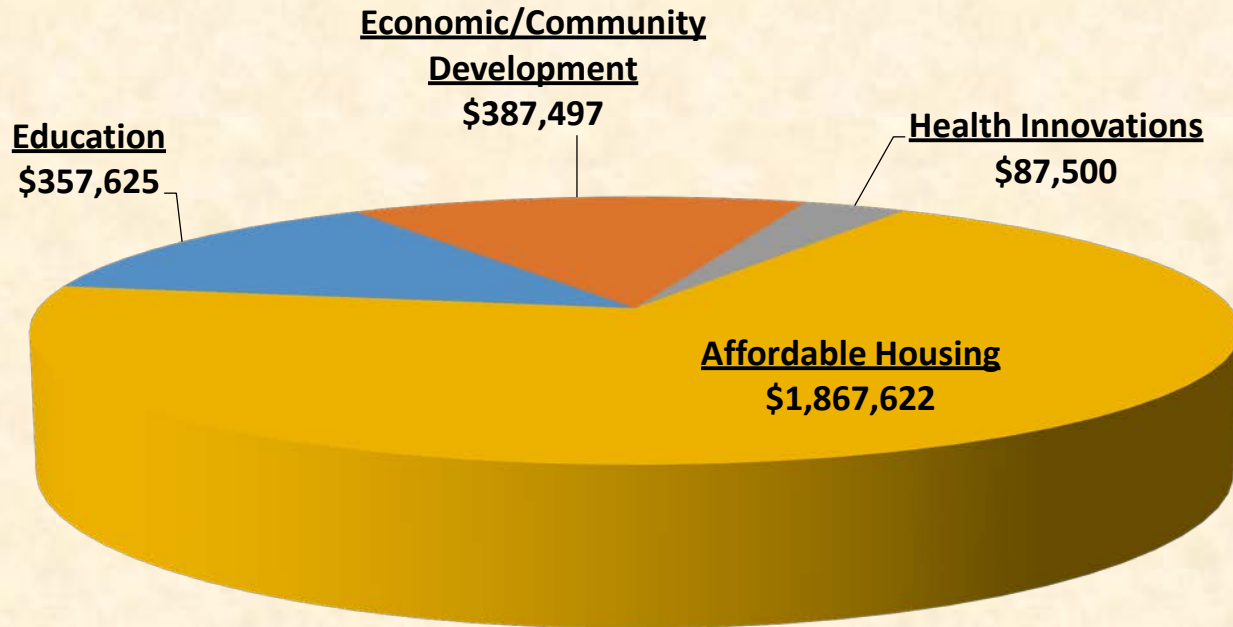


Adelante Healthcare
City Council Dist. 5
43rd and Northern Avenues



Luci's Healthy Market
City Council Dist. 6
16th Street and Bethany Home Road

Community Development Fund (FYs 2013-2015)



Community Development Fund



Valley of the Sun YMCA – Y Knot Program
City Council Dist. 5
67th Avenue and Indian School Road



VSUW – Rapid Rehousing
City Council Dist. 7
12th Avenue and Madison Street



UMOM – Family Shelter
City Council Dist. 8
33rd and Van Buren Streets



Circle of the Cities (Health Agency for Homeless)
City Council Dist. 4
3rd Avenue and Indian School Road

Community Development Fund



Neighborhood Ministries
City Council Dist. 7
19th Avenue and Van Buren Street



UMOM (Homegrown Program)
City Council Dist. 8
33rd and Van Buren Streets



Student Health Outreach for Wellness (Homeless Health Clinic)
City Council Dist. 7
12th Avenue and Madison Street

FY 2016 Public Finance Plan

- Healthcare
- Community & Economic Development
- Tax-Exempt Bonds for Manufacturers Program
- Education

Residential Mortgage Programs

- Home in Five Advantage Mortgage Origination Program – Government Loans
- Home in Five Advantage Mortgage Origination Program – Conventional Loans
- Mortgage Credit Certificate Program

Community Impact Fund

- Increased fund to \$14 million.
- Develop strategy for FY 2016

Community Development Fund

- Designate \$2 million for awards to Phoenix projects/programs
- Enter into an agreement with the Arizona Community Foundation to administer the funds.

Phoenix IDA Mission Statement

Supporting community and economic development through access to capital.

Bond Issuances 2009 - 2015

Bond Name	Bond Type	Education Group	Year	Amount
ACCEL	Education	Private	2009	\$3,200,000.00
Career Success Schools	Education	Charter	2009	\$11,225,000.00
Dove Valley	Manufacturing		2010	\$30,000,000.00
Eagle Charter School	Education	Charter	2010	\$7,010,000.00
Dunn-Edwards	Manufacturing		2010	\$7,515,000.00
Dunn-Edwards	Manufacturing		2010	\$22,485,000.00
Friends Seminary School	Education	Private	2010	\$25,475,000.00
Dove Valley	Manufacturing		2010	\$19,000,000.00
Nightingale-Bamford School	Education	Private	2010	\$15,000,000.00
Arizona School for the Arts	Education	Charter	2011	\$8,750,000.00
Riverdale Country School	Education	Private	2011	\$24,115,000.00
City & Country School	Education	Private	2011	\$17,150,000.00
Marcos de Niza	Multifamily Housing		2011	\$13,600,000.00
Great Hearts Academies - Veritas Prep	Education	Charter	2012	\$16,425,000.00
Painted Rock Academy	Education	Charter	2012	\$10,000,000.00
Brighter Choice Charter Schools	Education	Charter	2012	\$15,140,000.00
Rowan University	Education	University	2012	\$182,095,000.00
George Gervin Prep Academy	Education	Charter	2012	\$1,700,000.00
Choice Academies, Inc.	Education	Charter	2012	\$15,945,000.00
Phoenix Collegiate Academy	Education	Charter	2012	\$5,300,000.00
Great Hearts Academies - Glendale	Education	Charter	2012	\$12,585,000.00

Bond Issuances 2009 - 2015

Bond Name	Bond Type	Education Group	Year	Amount
Republic Services	Solid Waste Disposal		2013	\$155,130,000.00
BASIS Ahwatukee	Education	Charter	2013	\$8,835,000.00
Eagle College Prep	Education	Charter	2013	\$10,250,000.00
BASIS San Antonio	Education	Charter	2013	\$9,265,000.00
Vieste SPE, LLC	Solid Waste Disposal		2013	\$28,935,000.00
BASIS Mesa	Education	Charter	2013	\$7,815,000.00
Paradise Shadows	Multifamily Housing		2013	\$4,100,000.00
George Gervin Prep Academy Phoenix	Education	Charter	2013	\$4,316,000.00
George Gervin Prep Academy San Antonio	Education	Charter	2013	\$8,056,347.00
Great Hearts Academies	Education	Charter	2013	\$39,425,417.25
BASIS Oro Valley Primary	Education	Charter	2013	\$8,305,000.00
Primer Paso	Health		2013	\$3,100,000.00
Candeo Schools, Inc.	Education	Charter	2013	\$11,000,000.00
Arizona Christian University	Education	University	2014	\$10,000,000.00
BASIS Prescott	Education	Charter	2014	\$9,020,000.00
BASIS Phoenix Central	Education	Charter	2014	\$9,590,000.00
BASIS San Antonio North	Education	Charter	2014	\$9,640,000.00
Arizona Charter Academy	Education	Charter	2014	\$11,550,000.00
Legacy Traditional School	Education	Charter	2014	\$73,000,000.00
Mayo Clinic	Health		2014	\$180,000,000.00
Hill N Dell Apartments	Multifamily Housing		2014	\$8,700,000.00

Bond Issuances 2009 - 2015

Bond Name	Bond Type	Education Group	Year	Amount
Great Hearts Academies	Education	Charter	2014	\$80,080,000.00
Yuma Assisted Living	Health		2014	\$12,941,000.00
Guam Facilities Foundation	Education	District	2014	\$107,405,000.00
Girl Scouts—Arizona Cactus—Pine Council, Inc.	Community Development		2015	\$10,000,000.00
BASIS Schools, Inc.	Education	Charter	2015	\$89,140,000.00
JMF-ECVA Convention Center Expansion	Community Development		2015	\$9,000,000.00
Pointe Educational Services	Education	Charter	2015	\$18,130,000.00
Legacy Traditional Schools	Education	Charter	2015	\$40,660,000.00

Revenues

	FY 2013 Total	FY 2014 Total	FY 2015 Total
Revenues			
User Assessment Fees/Bond Redemption	\$ 2,300,617	\$ 1,119,182	\$ 1,014,804
Residential Mortgage Program Fees	459,775	1,537,040	3,586,686
Other Income	595,391	240,364	342,736
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 3,355,783	\$ 2,896,586	\$ 4,944,226

Expenses

	FY 2013 Total	FY 2014 Total	FY 2015 Total
Expenses			
General and Administration	\$ 1,167,056	\$ 965,984	\$ 1,022,095
Community Development Fund	185,000	174,650	1,517,972
Other Expenses	159,952	243,024	141,201
Total Expenses	<u>\$ 1,512,008</u>	<u>\$ 1,383,658</u>	<u>\$ 2,681,268</u>



MEMORANDUM

DATE: October 8, 2015
TO: Members, Board of Directors
FROM: Juan Salgado, Executive Director
SUBJECT: 207 E. McDowell Road, Property

BACKGROUND

On August 28, 2015 I received your approval to proceed with the purchase of the subject property. Pursuant to your approval, the Phoenix IDA closed escrow on the property on August 31, 2015.

Additionally, subsequent to your approval on January 16, 2014, we created the Phoenix IDA Real Estate Holdings Corporation (PREHC), a 501(c)(25) entity, for the purposes of acquiring, holding title to, and collecting income from real estate assets, and remitting net proceeds from such activities to the Phoenix IDA.

CURRENT STATUS

As discussed at the August 28, 2015 Board Meeting, staff is currently considering one of the following exit strategies to ensure a return on our investment in compliance with the Community Impact Fund Investment Policy:

1. Lease agreement with option to purchase,
2. Long-term hold for future project,
3. Short-term resale, or
4. Move-in/lease of the property.

My expectation is that any of the above strategies will require the PREHC to hold the property between six months to one year. During this period, expenses will be incurred to ensure that the property is properly secured, insured, and maintained.

REQUEST

This request is for your authorization to transfer title to the subject property from the Phoenix IDA to the PREHC. In exchange for such transfer, the PREHC will convey the current book value of the subject property (\$1,173,739) to the Phoenix IDA in the manner recommended by our auditors and legal counsel. Also, given that the PREHC will incur property-related expenses prior to execution of an exit strategy, I request your approval to transfer \$30,000 to the PREHC to cover anticipated costs associated with maintenance and operation of the property during the holding period.

October 8, 2015
(To Take Place as Last Action Item on the Agenda)

1. Presentation of Candidates by Chair of Nominating Committee Don Keuth

Officers to be Elected. The Board will elect a President, a Vice President, a Treasurer, and a Secretary. Any number of offices may be held by the same person, except the offices of President and Secretary.

List of Candidates for Each Office. The Nominating Committee presents the following list of candidates, each of whom has been nominated by a director and each of whom has accepted such nomination:

<u>Office</u>	<u>Candidate</u>
President:	Christa Severns
Vice President:	Judy Bernas
Treasurer:	Sal Rivera
Secretary:	Barbara Ryan Thompson

2. Statements by Candidates (optional)

3. Vote

Vote by Secret Ballot for Contested Offices. Starting with the office of President and continuing with the offices of Vice President, Treasurer and Secretary, each director may write his or her vote on a ballot for the particular office.

Candidates being Considered Leave Room during Vote for Candidates' Office. While Arizona statutes do not expressly prohibit an individual from voting for himself or herself in an election of officers, case law from other jurisdictions suggests that such voting could jeopardize the election if the individual casts the deciding vote. To avoid any possible question as to the validity of the elections and the validity of any bonds subsequently issued by the Phoenix IDA, Legal Counsel has taken the position in the past that a nominee should not vote for himself or herself. In addition we ask that the nominee leave the room during the vote for that office because if they stay in the room, he or she will be counted as present and could vote for another candidate. If the nominee leaves the room during the vote for that office, he or she is not counted as present and no vote is counted.

Tallying of Vote. For each office, the current President, Tom Espinoza, will count the ballots, verify the count with Legal Counsel and announce the votes for each nominee. All votes will be a matter of public record and will be recorded in the minutes of the meeting. The candidate selected for the particular office will be announced, and the next office will be voted upon in the same manner until all officers are elected. If any individual receives the votes of a majority of those directors present and entitled to vote, that individual will be elected. If no one receives a majority of the votes, a second vote will be required, and so on.

Alternative Vote for Uncontested Offices. If so desired, if there is only one candidate nominated for a particular office, any director may make a motion to accept that particular candidate as presented and have one roll call vote to elect the sole candidate for a particular office instead of conducting a vote by secret ballot when there is only one candidate. In the case of these 2015 elections, a single motion may be considered to hold one roll call vote for each of the offices of President, Vice President, Treasurer, and Secretary. Upon receipt of a second to such motion, the Board may proceed to vote by roll call to accept the alternative voting procedure. If such motion is accepted by a majority of the directors, the election of the President, Vice President, Treasurer, and Secretary, by roll call vote may proceed. For the reasons stated in the prior memorandum on the election process, Legal Counsel requests that a nominee refrain from making the motion to elect himself/herself into office, seconding such motion or voting for himself/herself.

**2016
COMMITTEE ASSIGNMENTS**

Executive Committee

Ms. Christa Severns, Chair
Ms. Judy Bernas
Mr. Sal Rivera
Ms. Barbara Ryan Thompson

Appointed

October 08, 2015
October 08, 2015
October 08, 2015
October 08, 2015

Finance Committee

Mr. Sal Rivera, Chair
Mr. Tommy Espinoza
Mr. Don Keuth

October 08, 2015
October 08, 2015
October 08, 2015

Nominating Committee

Mr. Tommy Espinoza, Chair
Mr. Bruce Mosby
Ms. Marian Yim

October 08, 2015
October 08, 2015
October 08, 2015

Communications and Government Affairs Committee

Ms. Judy Bernas, Chair
Ms. Charlene Tarver
Mr. Bruce Mosby

October 08, 2015
October 08, 2015
October 08, 2015

Community Impact Fund Committee

Ms. Barbara Ryan Thompson, Chair
Ms. Marian Yim
Mr. Don Keuth

October 08, 2015
October 08, 2015
October 08, 2015

MEMORANDUM

DATE: October 8, 2015
TO: Members, Board of Directors
FROM: Tommy Espinoza, President
SUBJECT: President's Report

- A. **Executive Director Evaluation** – A “360 degree” performance evaluation of our Executive Director was completed in July 2015. Each Board Member and each Phoenix IDA employee was asked to rate his performance based on 22 specific performance measures in five areas: (i) job performance and results, (ii) leadership, (iii) administration of the Phoenix IDA, (iv) financial management, and (v) interactions with the Board. The Executive Committee met on August 5, 2015 to review the results of the performance evaluation. The evaluation ratings given by the Board and the employees were overwhelmingly positive and confirmed that the Executive Director performed exceptionally well during the rating period.
- B. **Valle del Sol Profiles of Success** – On Friday, September 11, 2015 Valle del Sol held its annual Profiles of Success Hispanic Leadership Awards luncheon where it recognized and honored special individuals for demonstrating outstanding leadership, service to community, and advocacy across our great state. I was honored to have received the 2015 Hall of Fame award. Additionally, a member of our Phoenix IDA team, Ms. Lydia Lee, was honored and received an award for Exemplary Leadership. The event marked the 25th Anniversary of Profiles of Success – we are pleased to have been a part of this momentous occasion.
- C. **2015 CDFA Arizona Roundtable** – The Phoenix IDA will serve as the lead host for the Council of Development Finance Agencies (CDFA) 2015 Arizona Financing Roundtable to be held on November 17, 2015 at the Phoenix Convention Center. This one-day conference will feature a number of economic development finance experts and leaders from around the state discussing new development finance tools, bond-issuing authorities, resources and approaches, and how these resources can move Arizona's economy forward. We encourage you as Board Members to put this date on your calendars and plan on attending if you are able.
- D. **Parks, Arts, Transparency and Education (P.A.T.E.) Subcommittee Presentation** – On Tuesday, September 22, 2015 Mr. Paul Blue, Deputy City Manager, and Mr. Juan Salgado presented information on the Phoenix IDA before members of the P.A.T.E. City Council Subcommittee – members include, Councilwoman Laura Pastor (District 4), Chair; Vice Mayor, Daniel Valenzuela (District 5); Councilman Jim Waring (District 2); and Councilman Michael Nowakowski (District 7). The presentation outlined Phoenix IDA Bond issuances from 2009-2015, as well as our programs from 2013-2015. In addition, Mr. Salgado reviewed the 2015-2016 Plan which covered Public Finance, Residential Mortgage, and our Community Impact Fund. The members gave high praise for our work and fully endorsed the 2015-2016 Plan to be presented to the City Council at an upcoming meeting.



MEMORANDUM

DATE: October 8, 2015
TO: Members, Board of Directors
FROM: Juan Salgado, Executive Director
SUBJECT: Executive Director's Report

A. ADMINISTRATION

- **Mission / Vision Statement** – On Thursday, September 3, 2015 the Phoenix IDA team convened to work on reviewing and revising our current mission and vision statement. With the assistance of Mr. Gabe Loyola, LOYOLA Associates, the team made great strides on what will soon become the new mission / vision statement for the Phoenix IDA, reflecting how we have evolved as a growing organization. We will have a completed product to share with the Board in November 2015.
- **2016 Phoenix IDA Business Plan** – A new model for the Fiscal Year 2015-2016 Business Plan has been developed to identify goals, objectives, activities, and performance measures that will serve as the instrument used to organize and execute our organizational strategies in each line of business.
- **Technology Update** – Over the past few months the Phoenix IDA has worked to transition away from the City of Phoenix IT network. This transition will offer us greater flexibility to access information needed to conduct our business on a daily basis. We will soon have a network consisting of our own Wi-Fi, backup and security system, and updated hardware and software.
- **Nova Mortgage OIG** – The HUD-OIG final report with respect to program lender NOVA was published on the OIG website on July 13, 2015 identifying two issues: “premium mortgage” and DPA “repayment.” On July 20, 2015 the head of FHA/HUD, Assistant Secretary Ed Golding, put out a rapid and forceful statement in response to the report, strongly affirming HUD & FHA’s support of Housing Finance Agency-sponsored programs with DPA. The HUD-OIG matter was revealed in August 2015: a very helpful August 11, 2015 opinion from HUD General Counsel, which included the following statement: “We cannot support OIG’s conclusion that NOVA violated FHA requirements concerning premium pricing or the provision of gifts.”

Based on these statements, it is believed that rather than being hurt by an adverse audit report, the program has been affirmed and strengthened. The program owes many thanks to its partners, as well as to our friends at the National Association of Local Housing Finance Agencies (NALHFA), especially Mark O’Brien, and his team at Raymond James, and Jason Boehlert at NALHFA, who helped bring to light and resolve the otherwise far-reaching negative effects of the OIG findings.

B. Community / Economic Development Report

- **artHAUS Project** – The Phoenix IDA was a 50% equity owner in this property near the Arizona Opera. In May 2015, the City of Phoenix sold this property of just over one-half acre to artHAUS,

LLC for \$350,000, which paid approximately 12% of the sales price at closing. The developer has started construction on the 25 condominiums and will pay the balance of the sales price at the close of escrow for each condominium.

- West Fillmore Redevelopment Plan** – In April 2015, the City of Phoenix issued a Request for Proposals (RFP) to develop 7.4 acres of City-owned property located between 4th and 6th Avenues, south of Fillmore Street in downtown Phoenix. This site includes two properties in which the Phoenix IDA has made investments: 1) the West Fillmore Property (90% Phoenix IDA equity), approximately 2.82 acres in size, located south of Fillmore Street, between 4th and 5th Avenues, and 2) the Beeline Property (50% Phoenix IDA equity), comprised of six contiguous parcels of improved land totaling approximately 1 acre and located south of the southeast corner of 6th Avenue and Fillmore Street.

Following a recommendation from the RFP review panel, on which the Phoenix IDA was represented, the City has begun negotiations with the recommended proposer. The Community Development and Economic Department is scheduled to present to the Downtown, Aviation and Redevelopment City Council Subcommittee later this fall, with subsequent final approvals by the Phoenix IDA Board and City Council, likely by January 2016.

C. Public Finance Report

- Table 1: Bond Financing Update – Approved Projects as of September 30, 2015**

Project	Approval Dates		Status	Closing Date	Financing Amounts (In Millions)	
	Final Board	City Council			Approved	Closing Amount
Freedom Academy	3/12/2015	3/25/2015	In Progress	Q4 2015*	\$6.9	\$6.9*
Villa Montessori	3/12/2015	3/25/2015	In Progress	Q4 2015*	\$9.0	\$9.0*
Deer Valley ALF	6/16/2015	7/01/2015	In Progress	Q4 2015*	\$18.0	TBD
Gazelle University**	TBD	TBD	In Progress	Q2 2016*	\$1B**	TBD
3 rd & Indian School ALF**	TBD	TBD	In Progress	Q1 2016*	\$28.0**	TBD

*Anticipated

**Preliminary Approval

- Other**

➤ **District School Financing**

- ❖ **Tonalea Elementary School.** Since December of 2014, staff has met regularly with school facilities development experts and counsel to the Phoenix IDA to refine a unique model for district school financing in Arizona that will allow district schools to readily access Phoenix IDA bond financing. As you may know, Arizona school districts and the municipalities they serve are very limited in their ability to issue bonds for school facilities construction, expansion, or rehabilitation. The contemplated model provides district schools with an additional option beyond the traditional, voter-approved bonds that districts pay back with property tax assessments. The model has been finalized and meetings held with the Scottsdale Unified School District (SUSD) have yielded the first potential opportunity to see the model in action. As such, I had the opportunity to present the model to the SUSD Governing Board at its August 18, 2015 regular meeting. The presentation also included a proposal to use the model to finance the rehabilitation of Tonalea

Elementary School, which was closed about 18 months ago due to the poor condition of the facilities and the lack of readily available funds to address the issue. Although no vote was taken on the item, there was very positive discourse, and staff has been providing SUSD follow-up information in anticipation of going before the Governing Board again in the near future to obtain approval to proceed.

- ❖ **Tax-Exempt Bond Financing for Manufacturers.** In an effort to diversify the Phoenix IDA's revenue streams, staff has been working with the City's Community and Economic Development Department (CEDD) and Alliance Bank to discuss ramping up tax-exempt bond financing for manufacturers. This market sector has access to a tax-exempt bond program that has been available for some time, although it has historically been difficult to serve this segment given the relatively stringent bond issuance parameters. The combined effort is focused on identifying qualified manufacturers located in Phoenix, although the program is also available nationwide. In that vein, on Tuesday September 22, 2015 Phoenix IDA staff, in conjunction with Alliance Bank, presented the tax-exempt bond financing for manufacturers program primarily to members of CEDD's Business Retention & Expansion and Business Development divisions. The intent was to provide this group with a working knowledge of the program in an effort to help disseminate information on an option that might work for some of their client businesses. There are also plans underway to follow up with a press release announcing the availability of the program.

D. Residential Mortgage

- **Home in Five Advantage Program – HFA Preferred** – At the end of August 2015, we were approved by Fannie Mae to offer their HFA Preferred program, again in partnership with the Maricopa County IDA. With a launch date of October 1, 2015, the conventional loan offering will nearly duplicate the requirements of the government loans in Home in Five (HIF), with the same 4% grant (including the 1% origination fee) and the same requirements for income, FICO score, debt-to-income ratio, homebuyer education, home inspection, and property types, but no first-time homebuyer requirement. The 106 lenders in HIF are very excited about this expansion of our program and have been instrumental in our current success.
- **Mortgage Credit Certificate Program** – We expect to work through the final details to begin the MCC program sometime in the month of October 2015. The program will make a federal tax credit of up to 25% available to first-time homebuyers, with exclusions on the first-time homebuyer requirement for qualified Military Personnel and purchasers in federally targeted areas.