

Appendix A: Messaging Toolkit

For Use by Phoenix IDA Staff and Board of Directors

Updated May 31, 2017

Introduction

The purpose of the Messaging Toolkit is to provide approved messages which should be used to consistently and accurately describe the Phoenix IDA's history, mission, core services and programs, and community impact.

This document was created for use by the Phoenix IDA staff and Board of Directors.

This is a living document and will be revised as necessary and reviewed at least quarterly.

Key Messages

Organization-wide

- The Phoenix IDA is an entrepreneurial nonprofit supporting community and economic development through access to capital.
- The Phoenix IDA improves our community through multiple strategies such as bond financing, investments, and down payment assistance to advance homeownership.
- The organization's primary goal is to positively impact vulnerable populations and underserved communities.
- A nine-member Board of Directors, appointed for six-year terms by the City of Phoenix Mayor and Council, governs the Phoenix IDA.
- The Phoenix IDA was created in 1981 and is a self-sustaining organization.

Bond Financing

- The Phoenix IDA serves as a conduit issuer of private activity bonds, which attract private investment to finance projects that provide a public benefit.
- Private activity bond financing is an alternative to commercial loans and is generally more attractive to borrowers because it may result in reduced financing costs given the potential for federal income tax exemption on interest paid on the bonds. In most cases, bonds issued by the Phoenix IDA will be exempt from Arizona state income tax.
- As a national leader in bond financing, the Phoenix IDA has issued more than \$1.8 billion in bonds since 2009 for a broad range and scope of undertakings involving educational facilities, healthcare facilities, multifamily housing, and nonprofit organizations.
- Revenue bond financing is used primarily by private sector borrowers who ultimately become responsible for all principal and interest payments associated with the bond.
- Eligible applicants can be a private sector (e.g., for profit) entity, nonprofit 501(c) organization, or public agency. The Phoenix IDA's team of professionals works closely with applicants to review the project and the financing structure to determine its eligibility.
- Apart from housing projects that are required to be within the city of Phoenix, 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 Phoenix IDA Board of Directors determine the financing benefits Arizona residents.

Community Development Fund

- The Phoenix IDA Board of Directors established the Community Development Fund to make investments in community programs that benefit and support the city of Phoenix and its residents.
- Through this Fund, the Phoenix IDA has invested nearly \$3 million during the past three years (June 2012-December 2016), primarily from proceeds of non-Arizona bond transactions, to dozens of Phoenix nonprofit organizations
- Community Development Fund awards are focused in the areas of health innovation, community /economic development, and quality education.
- The Phoenix IDA considers each funding request on a case-by-case basis. Most Community Development Fund awards are decided through a competitive application process administered by the Arizona Community Foundation.

Community Impact Investments

- The Phoenix IDA pursues investment opportunities to achieve a community and social impact or to realize a capital return.
- Community and social impact investments are primarily focused on job creation, business attraction and retention, enabling of innovation, improvement of human services, expansion of homeownership opportunities and improvements in education.

Homeownership

- The Phoenix IDA advances responsible low- to moderate-income homeownership through various programs to strengthen communities and the economy.
- Beyond the economic impact, homeownership also has numerous social benefits for the individuals and families who own homes which in turn benefits the entire community. Social benefits include increased educational attainment, civic involvement, health outcomes and public safety.

Home in Five Advantage

- The Home in Five Advantage program, a partnership between the Phoenix and Maricopa County IDAs, offers homebuyers competitively priced loans through local lenders for new or existing homes, in addition to a 3 percent down payment and closing fee grant.
- Qualified military, first responders, teachers, and borrowers earning no more than \$31,450 annually receive an additional one percent grant through the Home in Five Advantage program.
- The Home in Five Advantage program strengthens homebuyers' financial stability by requiring an 8-hour homebuyer education course through a HUD-approved agency.
- Since its inception in 2012 through 2017, the Home in Five Advantage program has helped more than 15,000 individuals and their families purchase a home in the Phoenix metro area.
- As of December 2016, we have issued more than \$2.7 billion in loans, and \$115 million in down payment and closing cost assistance.

Home Success

- The Home Success Mortgage Credit Certificate program offers first-time Phoenix homebuyers the ability to claim an annual federal income tax credit of up to \$2,000. This credit is determined as a percentage of the mortgage interest paid.

Organizational Summary

About the Phoenix IDA

The Phoenix IDA is an entrepreneurial nonprofit that draws upon its decades of experience and proven record of accomplishments to support community and economic development through access to capital. The Phoenix IDA improves the community through multiple strategies such as bond financing, investments, and down payment assistance to advance homeownership. The organization's primary goal is to positively impact vulnerable populations and underserved communities. Established in 1981, the Phoenix IDA is a self-sustaining organization governed by a nine-member Board of Directors. For additional information, please visit www.phoenixida.com.