

Item 4



PHOENIXIDA

MEMORANDUM

DATE: July 21, 2022

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Multifamily Housing Revenue Bonds (Pueblo Apartments Project)

BACKGROUND

On April 21, 2022, Chicanos Por La Causa, Inc., an Arizona nonprofit corporation (together with its assignee and designees, the “Borrower”), obtained preliminary Board approval (Resolution No. 2022-06) for a multifamily housing project to be known as Pueblo Apartments to finance or refinance acquisition, construction, development, rehabilitation, improvement, equipping, and/or operation of the project site.

THE PROJECT

The Borrower states that the project will be comprised of an approximately 161-unit multifamily residential rental housing project currently referred to as Pueblo Apartments. The project is expected to be located at or near 316 West Broadway Road in Phoenix, Arizona, within Phoenix City Council District 7, represented by Councilmember Yassamin Ansari.

THE REQUEST

Given the rise in construction costs currently being experienced in the development market, the Borrower is now seeking the Board’s approval of an amended preliminary resolution reflecting a not to exceed amount of \$30,000,000, up from the original preliminary approval, not to exceed amount of \$20,000,000. The amended resolution will allow the Borrower to apply for the higher amount of tax-exempt bond allocation from the State of Arizona.

It is anticipated that the Borrower will seek Board final approval of the Bonds later in 2022. The Borrower expects the transaction to close in November of 2022.

RECOMMENDATION

After consultation with the Phoenix IDA’s legal advisor, Greenberg Traurig, LLP, I recommend that approval be granted subject to the terms and conditions contained in the amended Board preliminary approval resolution, as reviewed by same.

RESOLUTION NO. 2022-09

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, AMENDING RESOLUTION 2022-06 GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (PUEBLO APARTMENTS PROJECT) TO BE ISSUED FROM TIME TO TIME IN ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES TO INCREASE THE AGGREGATE PRINCIPAL AMOUNT TO NOT TO EXCEED \$30,000,000 TO FINANCE AN AFFORDABLE HOUSING PROJECT

WHEREAS, The Industrial Development Authority of the City of Phoenix, Arizona (the “Authority”), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”) empowered under the Industrial Development Financing Act, A.R.S. § 35-701 et seq., as amended (the “Act”), to issue industrial development revenue bonds for the purposes set forth in the Act, including the making of secured and unsecured loans for the purpose of financing the acquisition, construction, improvement or equipping of a “project” (as defined in the Act) whenever the Board of Directors of the Authority (the “Board of Directors”) finds such loans to be in furtherance of the purposes of the Authority or in the public interest; and

WHEREAS, the term “project” includes within its meaning under the Act any land, any building or other improvements, and all real and personal properties which are suitable for any “residential real property for dwelling units located within the municipality approving the formation of the corporation;” and

WHEREAS, on April 21, 2022, the Board of Directors adopted Resolution No. 2022-06, granting preliminary approval to a request from Chicanos Por La Causa, Inc., an Arizona nonprofit corporation (together with its assignees, wholly-controlled affiliates, and designees, the “Borrower”) that the Authority issue its Multifamily Housing Revenue Bonds (Pueblo Apartments Project) from time to time, in one or more tax-exempt and/or taxable series, in an aggregate principal amount not to exceed \$20,000,000 (collectively, the “Bonds”), and loan the proceeds thereof to the Borrower to finance or refinance, as applicable (a) the acquisition, construction, development, rehabilitation, improvement, equipping and/or operation of a multifamily residential rental housing project and improvements and facilities functionally related and subordinate thereto, all to be situated on approximately 4.2 acres of land in the South Mountain Valley Urban Village, which is expected to consist of approximately 161 units located on a parcel at or near 316 W. Broadway Road, Phoenix, Arizona (collectively, the “Facilities”), (b) funding any required reserve funds, (c) paying capitalized interest on the Bonds, if any, and (d) paying costs and expenses incurred in connection with the issuance of such Bonds (collectively, the “Project”), all in accordance with the Act; and

WHEREAS, the Borrower has requested that Resolution No. 2022-06 be amended to increase the not to exceed principal amount of the Bonds from \$20,000,000 to \$30,000,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona as follows:

Section 1. Section 2 of Resolution No. 2022-06 is hereby amended by increasing the not to exceed principal amount of the Bonds from \$20,000,000 to \$30,000,000.

Section 2. All other terms and conditions of Resolution No. 2022-06 shall continue in full force and effect.

Section 3. This Resolution is effective immediately.

[Signature page follows]

Adopted and approved this 21st day of July, 2022.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer