
**REVISED
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, January 18, 2024, at 3:00 p.m.** located at 2201 East Camelback Road, 4th Floor, Phoenix, Arizona. Public attendees may also call 669-900-6833 and enter Meeting ID 839 4593 5540, Passcode 327103 to join the meeting.

Pursuant to Arizona Revised Statutes §38-431.03(A)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation for legal advice with the Board's legal counsel and to provide direction to the Board's legal counsel in connection with any matter on the agenda. Any action taken by the Board regarding such matter will be taken in the open meeting session after the adjournment of the executive session.

The agenda for the meeting is as follows:

Call to Order.

Introduction of Colin Tetreault.

1. Approval of Meeting Minutes.

- a. October 19, 2023 – Regular Session
- b. November 21, 2023 – Regular Session

2. Multifamily Housing Revenue Bonds (Broadway Farms Project). Presentation, discussion, and possible action for preliminary approval of the issuance of multifamily housing revenue bonds, notes or other obligations, to be issued in one or more tax-exempt and/or taxable series in an aggregate principal amount not to exceed \$45,000,000.

3. Multifamily Housing Revenue Bonds (Helen Drake Village Project). Presentation, discussion, and possible action for preliminary approval of the issuance of multifamily housing revenue bonds, notes or other obligations, to be issued in one or more tax-exempt and/or taxable series in an aggregate principal amount not to exceed \$20,000,000.

4. Goodwill of Central and Northern Arizona. Presentation, discussion, and possible action to approve a participation loan.

5. City of Phoenix, Housing Department. Presentation, discussion, and possible action to approve financial assistance in support of transitional housing for US veterans.

6. Housing Strategy. Presentation, discussion, and possible action for preliminary approval of the Phoenix IDA's Housing Strategy.

7. **Financial Statements for Period Ending September 30, 2023.** Presentation, discussion, and possible action to approve the Phoenix IDA Financial Statements for Period Ending September 30, 2023.
8. **Requests for future board agenda items.**
9. **Chair Report.**
10. **Call to the Public.** Comments will be limited to two minutes.

Adjournment.

For reasonable accommodations, please call Lydia Lee at Voice/602-661-6898 or TTY: use 7-1-1, as early as possible to coordinate needed arrangements.

Date Posted: January 16, 2024

7. **Financial Statements for Period Ending September 30, 2023.** Presentation, discussion, and possible action to approve the Phoenix IDA Financial Statements for Period Ending September 30, 2023.
8. **Requests for future board agenda items.**
9. **Chair Report.**
10. **Call to the Public.** Comments will be limited to two minutes.

Adjournment.

For reasonable accommodations, please call Lydia Lee at Voice/602-661-6898 or TTY: use 7-1-1, as early as possible to coordinate needed arrangements.

Date Posted:



PHOENIX**IDA**

Item 1

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

October 19, 2023

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, October 19, 2023, at 3:00 p.m., in person and via Zoom Videoconferencing.

Board Members present:

Ms. Tess Burleson
Mr. Jack Gordon Dover
Mr. Phil Gordon
Mr. Mark Moeremans
Mr. Bruce Mosby
Ms. Barbara Ryan Thompson
Ms. Tina Marie Tentori

Board Members absent:

Mr. Aaron Marquez

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
Ms. Christa Severns, 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 videoconferencing system.

Director Mosby called the Board meeting to order at 3:04 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes.

Director Mosby introduced Item 1 seeking approval for the regular meeting minutes for the September 21, 2023, Board of Directors meeting. There being no comments or changes, Director Mosby called for a motion.

MOTION: Director Burleson moved to approve the regular meeting minutes for September 21, 2023, Board of Directors meeting. Director Dover seconded the motion. **Motion passed 7-0 with Board members T. Burleson, J. Dover, P. Gordon, M. Moeremans, B. Mosby, B. Ryan Thompson, and T. Tentori in favor.**

ITEM 2: 2024 Phoenix IDA Strategic Opportunities.

Mr. Salgado introduced the item to the board and invited Ms. Severns, the Communications Director for the Phoenix IDA to present the staff report on the 2024 Phoenix IDA Strategic Opportunities. Ms. Severns completed the staff report, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Director Mosby asked if there were any questions from board members.

Director Ryan Thompson asked if there was any anticipated pushback; assuming City Officials support and approve the item?

Ms. Severns responded regarding the need for legislation and that we have received several inquiries from neighboring jurisdictions.

Ms. Salgado addressed the question regarding pushback.

Director Moeremans asked if any other neighboring jurisdictions had done any similar projects?

Mr. Salgado stated that to his knowledge we were the first.

There being no further questions, Director Mosby called for a motion.

MOTION: Director Dover moved to approve the Phoenix IDA Strategic Opportunities as presented and authorize the Chief Executive Officer to engage a consultant to pursue such opportunities. Director Burleson seconded the motion. **Motion passed 7-0 with Board members J. Dover, P. Gordon, B. Mosby, T. Tentori, T. Burleson, B. Ryan Thompson, and M. Moeremans in favor.**

ITEM 3: Phoenix IDA 3-Year Strategic Plan (2024-2026).

Mr. Salgado introduced the agenda item and invited Mr. Barham to present the staff report on the Phoenix IDA 3-Year Strategic Plan (2024-2026). Mr. Barham completed the staff report as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Director Mosby asked if there were any deliverables due annually?

Director Burleson inquired regarding key performance indicators (KPIs) and goals?

Mr. Barham responded regarding deliverables, KPIs and goals tied to employee evaluations.

Director Moeremans asked if the targeted programs would be offered in-house, or would the Phoenix IDA participate with other community partners?

Mr. Barham indicated that the Phoenix IDA would invest in local non-profit organizations to help with their existing programs that fit the Phoenix IDA's Strategic Plan.

Director Mosby requested that deliverables and results be presented annually to the board.

Mr. Salgado advised the Board members that deliverables and KPIs would be outlined in the CEO's annual performance evaluation.

Director Tentori commented that the CEO performance evaluation was a good way to track deliverables and results for the strategic plan.

Mr. Salgado further commented that the strategic plan gives more structure, and status updates and any requests for amendments, including the reasons for any amendment requests, will be given by the CEO periodically.

Mr. Salgado addressed Director Moeremans' question regarding targeted programs, indicating that historically the Phoenix IDA has collaborated with other local organizations and will continue to do so in the future.

Director Moeremans asked if there were any other goals considered and intentionally left out?

Mr. Salgado indicated that yes, other potential goals had been eliminated. It was also noted that on occasions emergency projects present themselves, e.g., the mobile home emergency relief. Any future projects will fall in with our Mission and Vision statements.

Director Mosby asked if there were any questions or comments from the board. There being no questions or comments, Director Mosby called for a motion on the project.

MOTION: Director Burleson moved to approve the Phoenix IDA 3-year Strategic Plan as presented. Director Gordon seconded the motion. **Motion passed 6-0 with Board members P. Gordon, B. Mosby, T. Tentori, T. Burleson, B. Ryan Thompson, and M. Moeremans in favor. Director J. Dover abstained from voting.**

ITEM 4: Board of Directors Election of 2024 Officers.

Mr. Salgado introduced the item and asked Mr. Ross to explain the process for electing officers for the Board of Directors. Mr. Ross reviewed the process and indicated that none of the offices were contested and there was one nomination for each office. At the conclusion of Mr. Ross' report, he recommended the board approve the slate of officers as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

There being no questions or comments, Director Mosby called for a motion.

MOTION: Director Ryan Thompson moved to approve the candidate slate as presented. Director Moeremans seconded the motion. **Motion passed 6-0 with Board members P. Gordon, B. Mosby, T. Tentori, T. Burleson, B. Ryan Thompson, and M. Moeremans in favor. Director J. Dover abstained from voting.**

ITEM 5: Request for future board agenda items.

Director Mosby introduced the item and offered an opportunity for any board member to recommend any item for future board meetings.

No comments were made.

This item was for information purposes only, no action was taken.

ITEM 6: Call to the Public.

Director Mosby 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 3:52 p.m.

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

November 21, 2023

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 Tuesday, November 21, 2023, at 3:30 p.m., in person and via Zoom Videoconferencing.

Board Members present:

Mr. Jack Gordon Dover
Mr. Phil Gordon
Mr. Aaron Marquez (joined at 3:33)
Mr. Mark Moeremans
Mr. Bruce Mosby
Ms. Barbara Ryan Thompson

Board Members absent:

Ms. Tess Burleson
Ms. Tina Marie Tentori

Also present for all or portions of the meeting were:

Mr. Reid Butler, Sunnyslope Housing Limited Partnership	Ms. Lydia Lee, Phoenix IDA
Ms. Sierra Belisle, Kutak Rock	Ms. Kelly McGuire, Kutak Rock
Mr. James Barham, Phoenix IDA	Mr. Adam Morgan, Morgan and Associates
Mr. Jeff Caldwell, Member of Public	Ms. Brenda Naumann, Phoenix IDA
Mr. Carter Clarke, Richmond Capital	Mr. Alex Popovic, Richmond Capital
Ms. Hailey del Grande, Danco Group	Mr. C.W. Ross, Fennemore Craig, P.C
Mr. Frank Enriquez, Phoenix IDA	Mr. Juan Salgado, Phoenix IDA
Ms. Quinn Gormley, Fish Pond Living	Mr. Mike Santellanes, Phoenix IDA
Mr. Gerald Griffin, National Church Residences	Ms. Christa Severns, Phoenix IDA
Mr. Jayden Johnson, Danco Group	Ms. Cindy Stotler, Phoenix IDA
Mr. Daniel T. Kalubi, National Church Residences	

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 videoconferencing system.

Director Mosby called the Board meeting to order at 3:32 p.m. A quorum was noted.

ITEM 1: Multifamily Housing Revenue Bonds (Memorial Towers Project).

Mr. Salgado introduced the item to the board for the approval of the Multifamily Housing Revenue Bonds (Memorial Towers Project). Mr. Salgado introduced Mr. Santellanes to present the staff report on this project. Mr. Santellanes completed the staff report as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Mr. Santellanes noted that Ms. Kelly McGuire of Kutak Rock, who is representing the issuer as counsel, reviewed the application and relevant documents and concluded that the project is eligible for IDA financing.

Mr. Santellanes recognized Mr. Daniel T. Kalubi from National Church Residences who was available to answer any further questions.

Director Mosby asked if there were any questions or comments from the board. There being no questions or comments, Director Mosby called for a motion on the project.

MOTION: Director Ryan Thompson moved to approve Resolution 2023-16 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Dover seconded the motion. **Motion passed 6-0 with Board members J. Dover, P. Gordon, A. Marquez, M. Moeremans, B. Mosby, and Barbara Ryan Thompson in favor.**

ITEM 2: Multifamily Housing Revenue Bonds (Emory Heights Project).

Mr. Salgado introduced the item to the board for the approval of the Multifamily Housing Revenue Bonds (Emory Heights Project). Mr. Salgado introduced Mr. Santellanes to present the staff report on this project. Mr. Santellanes completed the staff report as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Mr. Santellanes noted that Ms. Kelly McGuire of Kutak Rock, who is representing the issuer as counsel reviewed the application and relevant documents and concluded that the project is eligible for IDA financing.

Mr. Santellanes recognized Ms. Haley del Grande from the Danco Communities who was available to answer any further questions.

Director Mosby asked if there were any questions or comments from the board. There being no questions or comments, Director Mosby called for a motion on the project.

MOTION: Director Gordon moved to approve Resolution 2023-17 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Dover seconded the motion. **Motion passed 6-0 with Board members J. Dover, P. Gordon, A. Marquez, M. Moeremans, B. Mosby, and Barbara Ryan Thompson in favor.**

ITEM 3: Multifamily Housing Revenue Bonds (Glendale Apartments Project).

Mr. Salgado introduced the item to the board for the approval of the Multifamily Housing Revenue Bonds (Glendale Apartments Project). Mr. Salgado introduced Mr. Santellanes to present the staff report on this project. Mr. Santellanes completed the staff report as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Mr. Santellanes noted that Ms. Kelly McGuire of Kutak Rock, who is representing the issuer as counsel reviewed the application and relevant documents and concluded that the project is eligible for IDA financing.

Mr. Santellanes recognized Mr. Carter Clarke from the Richman Group who was available to answer any further questions.

Director Mosby asked if there were any questions or comments from the board. There being no questions or comments, Director Mosby called for a motion on the project.

MOTION: Director Dover moved to approve Resolution 2023-18 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Ryan Thompson seconded the motion. **Motion passed 6-0 with Board members J. Dover, P. Gordon, A. Marquez, M. Moeremans, B. Mosby, and Barbara Ryan Thompson in favor.**

ITEM 4: Multifamily Housing Revenue Bonds (Hacienda at Sunnyslope Project).

Mr. Salgado introduced the item to the board for the approval of the Multifamily Housing Revenue Bonds (Memorial Towers Project). Mr. Salgado introduced Mr. Santellanes to present the staff report on this project. Mr. Santellanes completed the staff report as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Mr. Santellanes noted that Ms. Kelly McGuire of Kutak Rock, who is representing the issuer as counsel reviewed the application and relevant documents and concluded that the project is eligible for IDA financing.

Mr. Santellanes recognized Mr. Reid Butler from Sunnyslope Housing Limited Partnership who gave a project overview and was available to answer any further questions.

Director Mosby asked if there were any questions or comments from the board. There being no questions or comments, Director Mosby called for a motion on the project.

MOTION: Director Gordon moved to approve Resolution 2023-19 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Ryan Thompson seconded the motion. **Motion passed 6-0 with Board members J. Dover, P. Gordon, A. Marquez, M. Moeremans, B. Mosby, and Barbara Ryan Thompson in favor.**

ITEM 9: Call to the Public.

Director Mosby made a call to the public.

Mr. Jeff Caldwell made comments regarding bond financing and overall financial market conditions. Upon Mr. Salgado's request, Mr. Santellanes briefly described the core characteristics of the private activity bonds preliminarily approved for issuance during this meeting.

With no further business to come before the Board, being duly moved and seconded, the Board meeting was adjourned at 3:48 p.m.



PHOENIX**IDA**

Item 2



MEMORANDUM

DATE: January 18, 2024
TO: Members, Board of Directors
FROM: Juan Salgado, Chief Executive Officer
SUBJECT: Multifamily Housing Revenue Bonds, Broadway Farms Project

THE BORROWER

4201 S 91st Avenue, LLC, a Colorado limited liability company, the sole member of which is St. Charles LIHTC Investors, LLC, a Colorado limited liability company (together with its successors, assignees, the “Borrower”), is seeking the Board’s preliminary approval for the issuance of the Phoenix IDA’s subject Multifamily Housing Revenue Bonds (the “Bonds”), in an aggregate principal amount not to exceed \$45,000,000.

The proceeds of the Bonds, along with other anticipated financing sources (including 4% low-income housing tax credits), will be used by the Borrower to finance or refinance acquisition, rehabilitation, construction, development, improvement, equipping and/or operation of the project described below. It is anticipated that the Borrower will seek Board final approval during the fourth quarter of 2024. Pending such final approval, the Borrower intends to seek City Council approval shortly thereafter.

THE PROJECT

The Borrower states that the project consists of a multifamily residential rental housing community comprised of approximately 180 units currently referred to as Broadway Farms. The project is located at or near the northeast corner of South 91st Avenue and West Broadway Road, Phoenix, Arizona within Phoenix City Council District 7, represented by Vice Mayor and Councilmember Yassamin Ansari.

PLAN OF FINANCING

At this time, the purchaser of the Bonds has not been identified, but it is anticipated that such purchaser will be known at the time the Borrower seeks Board final approval. The Borrower currently expects the transaction to close in December of 2024.

RECOMMENDATION

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

RESOLUTION NO. 2024-04

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER OBLIGATIONS TO BE ISSUED FROM TIME TO TIME PURSUANT TO A PLAN OF FINANCING IN ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 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, 4201 S 91st Avenue, LLC, a Colorado limited liability company, the sole member of which is St. Charles LIHTC Investors, LLC, a Colorado limited liability company (together with its successors, assignees, and designees, the “Borrower”), has requested that the Authority issue its multifamily housing revenue bonds, notes or other obligations from time to time pursuant to a plan of financing, in one or more tax-exempt and/or taxable series, in an aggregate principal amount not to exceed \$45,000,000 (collectively, the “Bonds”), and loan the proceeds thereof to the Borrower to finance and/or refinance, as applicable, all or a portion of the cost of: (a) the acquisition, construction, development, improvement, equipping and/or operating of a multifamily residential rental housing community to be known as “Broadway Farms” (including improvements and facilities functionally related and subordinate thereto) expected to be comprised of approximately 180 units (all or a portion of which will be set aside for occupancy by low- to moderate-income tenants) to be situated on approximately 7 acres and generally located at or near the northeast corner of S. 91st Avenue and W. Broadway Road, Phoenix, Arizona 85353 (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 advised the Authority that the Project is expected to qualify for 4% low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”), based on the Authority’s issuance of the Bonds; and

WHEREAS, the Borrower has advised the Authority that the Borrower intends to allocate a portion of the proceeds of the Bonds to the reimbursement of any such costs of the Project paid prior to the issuance of the Bonds in accordance with Section 1.150-2 of the Treasury Regulations; and

WHEREAS, in furtherance of the purposes of the Act, the Authority is preliminarily considering the issuance of the Bonds, the proceeds of which will be used to make a loan to the Borrower to assist the Borrower in financing the Project as described above;

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. The Board of Directors finds and determines that the issuance of the Bonds and the making of a loan to the Borrower for the purpose of financing and/or refinancing all or a portion of the cost of the Project are in furtherance of the purposes of the Authority under the Act, and that the Facilities will constitute a “project” within the meaning of the Act.

Section 2. The Authority hereby grants preliminary approval to the issuance and sale of the Bonds pursuant to the Act from time to time pursuant to a plan of financing in one or more series in an aggregate principal amount not to exceed \$45,000,000. This preliminary approval is subject to the following terms and conditions:

2.1 The Borrower must fully comply with all applicable provisions of the most current version of the Authority’s Procedural Pamphlet (the “Pamphlet”) and the Authority’s financial guidelines relating to the issuance and sale of the Bonds, including the submission of substantially final documents for approval during the Proceedings, as required by Section 5 of the Pamphlet, in form and substance satisfactory to the Authority.

2.2 On or prior to each date any Bonds are issued (each a “Closing Date”), the Borrower shall make arrangements satisfactory to the Authority as to the payment of the Authority’s closing fee and annual administrative fees and expenses.

2.3 On each Closing Date, an opinion of nationally recognized Bond Counsel (as defined below), in a form acceptable to the Authority, that interest on the tax-exempt Bonds to be issued will be exempt from all federal income taxes and Arizona income taxes under existing statutes, regulations and court decisions, must be addressed to and provided to the Authority.

2.4 On each Closing Date, the Borrower must deliver an opinion or opinions, addressed and in form acceptable to the Authority, prior to the issuance of the Bonds, to the effect that all of the statements and information contained in the offering materials (if any) distributed in connection with the offer and sale of the Bonds are correct and complete in all material respects, and do not contain any untrue statements of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.5 Prior to consideration of final approval by the Authority of the issuance of any Bonds and in the event any such Bonds will be sold pursuant to a public offering, the Borrower and the underwriter of such Bonds to be publicly offered (the “Underwriter”) must submit a bond purchase agreement for such Bonds in final form, including, without limitation, any exhibits, appendices or attachments, except for information pertaining to the maturities, interest rates, yields and redemption provisions on such Bonds, in form and substance acceptable to Kutak Rock LLP, as the Authority’s legal advisor (the “Legal Advisor”) and as bond counsel (“Bond Counsel”).

2.6 If the Bonds have not received a rating of “BBB-” or better (or an equivalent rating) from a nationally recognized bond rating agency, on the related Closing Date each purchaser of such Bonds shall execute and deliver an investor acknowledgement letter in form and substance satisfactory to the Authority and its Legal Advisor; provided, however, the provisions of this paragraph may be waived by the Authority in its sole discretion prior to the issuance of such Bonds.

2.7 If the Bonds are to be privately placed, the bond placement agent or the ultimate purchaser of such Bonds must submit an investor acknowledgement letter to the Authority, including representations that it has performed its own due diligence of the Project, and will purchase and hold such Bonds as a private placement. Any subsequent resale of such Bonds must be restricted to accredited investors or qualified institutional buyers.

2.8 Legal Advisor to the Authority must receive such legal opinions (including an enforceability opinion of counsel to the Borrower), certificates and other proceedings as are necessary and advisable to evidence compliance by the Borrower and the Underwriter or any other purchaser of the Bonds with the Authority’s policies and procedures and applicable federal and state laws.

2.9 The Authority, its officers, directors, staff, employees, agents and Chief Executive Officer, and the City of Phoenix, Arizona (the “City”) must be provided with full indemnification in connection with the issuance and sale of the Bonds, in form and substance satisfactory to the Authority’s Legal Advisor, from a credit-worthy source.

2.10 The Borrower must receive final approval by the Council of the City and, if necessary, the Arizona Department of Housing prior to the issuance of the Bonds.

2.11 Except to the extent the Project and the proposed financing thereof are deemed to be a Carryforward Project, preliminary approval of the Project by the Authority expires on the 180th day following the grant of preliminary approval by the Authority unless the Bonds have been issued or an extension of preliminary approval has been approved by the Authority.

Section 3. This Resolution is an affirmative official action and declaration of official intent of the Authority relating to the issuance of the Bonds as contemplated herein including, without limitation, under Treasury Regulations Section 1.150-2. The Authority hereby acknowledges that the Borrower intends to allocate a portion of the proceeds of the Bonds to the

reimbursement of any such costs of the Project paid prior to the issuance of the Project in accordance with Section 1.150-2 of the Treasury Regulations.

Section 4. Nothing contained in this Resolution, or in any other instrument, may be considered as obligating the Authority or the City to any pecuniary liability or charge upon the general credit of the Authority or the City. Furthermore, it is understood that no costs are to be borne by the Authority with respect to the Project and the issuance and sale of the Bonds except those to be paid out of the proceeds of the Bonds, and that the Borrower will promptly pay to or reimburse the Authority for any other fees, costs, and expenses reasonably incurred by the Authority, including the fees of Bond Counsel, its Legal Advisor and financial advisor, if any, whether or not any Bonds are issued or sold.

Section 5. The Authority, Legal Advisor, Bond Counsel or other representative of the Authority is hereby authorized to determine, in consultation with the Borrower, a date for a public hearing on the plan of financing of the Project and the proposed issuance of the Bonds, as required by Section 147(f) of the Code, and to publish a public notice of such hearing in such form as approved by the Borrower and Bond Counsel and to conduct such hearing.

Section 6. On the basis of this Resolution, the Borrower may file a request for allocation for private activity bonding authority for the Bonds through the Arizona Finance Authority (whether in the form of a carryforward allocation or otherwise) in an aggregate principal amount which shall not exceed \$45,000,000.

Section 7. All actions of the officers, directors, staff, employees, agents and Chief Executive Officer of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance thereof, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved. The proper officers, directors, staff, employees, agents and Chief Executive Officer of the Authority are hereby authorized and directed to do all such acts on behalf of the Authority as may be deemed necessary or desirable to carry out the terms and intent of this Resolution. Signature pages for any documents requiring the Authority's signature shall be delivered to the Legal Advisor no fewer than seven (7) days prior to each Closing Date or any other date on which an executed signature page is required, and once executed will be held in escrow by the Legal Advisor and delivered on each Closing Date or on such other date, as applicable, on which an executed signature page is required.

Section 8. Any provisions of the Authority's Bylaws, Pamphlet and/or resolutions inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any Bylaw, Pamphlet or resolution or any part thereof.

Section 9. If any section, paragraph, clause or provision of this Resolution is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision does not affect any of the remaining provisions of this Resolution.

Section 10. It is found and determined that all formal actions of the Authority and its Board concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Authority.

Section 11. Arizona Revised Statutes Section 38-511 requires that every contract to which the State, its political subdivisions or any of the departments or agencies of the State or its political subdivisions is a party include notice that such contract is subject to cancellation, within three years after its execution, by the State, political subdivision, department or agency which is a party to such contract if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, political subdivision, department or agency is, at any time while the contract is in effect, an employee of any other party to the contract or an agent or consultant of any other party to the contract with respect to the subject matter of the contract.

Section 12. This Resolution is not to be construed as providing advice concerning municipal securities or otherwise. This Resolution represents the Board of Director's preliminary determination that the execution and delivery of documents and delivery of the documents and the offer, sale, issuance and delivery of the Bonds by the Authority as contemplated in this Resolution and the effect thereof will each be in furtherance of the purposes and interests of the Authority under the Act. This Resolution is not intended to provide, and shall not be construed as providing, advice by any member of the Board of Directors to the Authority or to the Borrower with respect to the issuance of the Bonds for purposes of 15 U.S.C. Section 78o-4(e)(4)(A)(i) or otherwise.

Section 13. This Resolution is effective immediately upon its adoption.

[Signature page follows]

Adopted and approved this 18th day of January, 2024.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer



PHOENIXIDA

Item 3



PHOENIX IDA

MEMORANDUM

DATE: January 18, 2022

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Multifamily Housing Revenue Bonds-Helen Drake Village Project

THE BORROWER

Richman Helen Drake Village, LLC, a Delaware limited liability company (together with its successors, assignees, and designees, the “Borrower”), is seeking the Board’s preliminary approval for the issuance of the Phoenix IDA’s subject Multifamily Housing Revenue Bonds (the “Bonds”), in an aggregate principal amount not to exceed \$20,000,000.

The proceeds of the Bonds, along with other anticipated financing sources (including 4% low-income housing tax credits), will be used by the Borrower to finance or refinance acquisition, rehabilitation, construction, development, improvement, equipping and/or operation of the project described below. It is anticipated that the Borrower will seek Board final approval during the third quarter of 2024. Pending such final approval, the Borrower intends to seek City Council approval shortly thereafter.

THE PROJECT

The Borrower states that the project consists of a multifamily residential rental housing community comprised of approximately 80 units currently referred to as Helen Drake Village. The project is located at 7600 North 27th Avenue in Phoenix, Arizona, south of the southwest corner of West Belmont Avenue and North 27th Avenue, within Phoenix City Council District 5, represented by Councilmember Betty Guardado.

PLAN OF FINANCING

At this time, the purchaser of the Bonds has not been identified, but it is anticipated that such purchaser will be known at the time the Borrower seeks Board final approval. The Borrower currently expects the transaction to close in December of 2024.

RECOMMENDATION

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

RESOLUTION NO. 2024-02

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER OBLIGATIONS TO BE ISSUED FROM TIME TO TIME PURSUANT TO A PLAN OF FINANCING IN ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 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, Richman Helen Drake Village, LLC, a Delaware limited liability company (together with its successors, assignees, and designees, the “Borrower”), has requested that the Authority issue its multifamily housing revenue bonds, notes or other obligations from time to time pursuant to a plan of financing, 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 and/or refinance, as applicable, all or a portion of the cost of: (a) the acquisition, construction, development, improvement, equipping and/or operating of a multifamily residential rental housing community to be known as “Helen Drake Village” (including improvements and facilities functionally related and subordinate thereto) expected to be comprised of approximately 80 units (all or a portion of which will be set aside for occupancy by low- to moderate-income senior tenants) to be situated on approximately 2 acres and generally located at 7600 North 27th Avenue, Phoenix, Arizona 85051 (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 advised the Authority that the Project is expected to qualify for 4% low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”), based on the Authority’s issuance of the Bonds; and

WHEREAS, the Borrower has advised the Authority that the Borrower intends to allocate a portion of the proceeds of the Bonds to the reimbursement of any such costs of the Project paid

prior to the issuance of the Bonds in accordance with Section 1.150-2 of the Treasury Regulations; and

WHEREAS, in furtherance of the purposes of the Act, the Authority is preliminarily considering the issuance of the Bonds, the proceeds of which will be used to make a loan to the Borrower to assist the Borrower in financing the Project as described above;

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. The Board of Directors finds and determines that the issuance of the Bonds and the making of a loan to the Borrower for the purpose of financing and/or refinancing all or a portion of the cost of the Project are in furtherance of the purposes of the Authority under the Act, and that the Facilities will constitute a “project” within the meaning of the Act.

Section 2. The Authority hereby grants preliminary approval to the issuance and sale of the Bonds pursuant to the Act from time to time pursuant to a plan of financing in one or more series in an aggregate principal amount not to exceed \$20,000,000. This preliminary approval is subject to the following terms and conditions:

2.1 The Borrower must fully comply with all applicable provisions of the most current version of the Authority’s Procedural Pamphlet (the “Pamphlet”) and the Authority’s financial guidelines relating to the issuance and sale of the Bonds, including the submission of substantially final documents for approval during the Proceedings, as required by Section 5 of the Pamphlet, in form and substance satisfactory to the Authority.

2.2 On or prior to each date any Bonds are issued (each a “Closing Date”), the Borrower shall make arrangements satisfactory to the Authority as to the payment of the Authority’s closing fee and annual administrative fees and expenses.

2.3 On each Closing Date, an opinion of nationally recognized Bond Counsel (as defined below), in a form acceptable to the Authority, that interest on the tax-exempt Bonds to be issued will be exempt from all federal income taxes and Arizona income taxes under existing statutes, regulations and court decisions, must be addressed to and provided to the Authority.

2.4 On each Closing Date, the Borrower must deliver an opinion or opinions, addressed and in form acceptable to the Authority, prior to the issuance of the Bonds, to the effect that all of the statements and information contained in the offering materials (if any) distributed in connection with the offer and sale of the Bonds are correct and complete in all material respects, and do not contain any untrue statements of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.5 Prior to consideration of final approval by the Authority of the issuance of any Bonds and in the event any such Bonds will be sold pursuant to a public offering, the Borrower and the underwriter of such Bonds to be publicly offered (the “Underwriter”)

must submit a bond purchase agreement for such Bonds in final form, including, without limitation, any exhibits, appendices or attachments, except for information pertaining to the maturities, interest rates, yields and redemption provisions on such Bonds, in form and substance acceptable to Kutak Rock LLP, as the Authority's legal advisor (the "Legal Advisor") and as bond counsel ("Bond Counsel").

2.6 If the Bonds have not received a rating of "BBB-" or better (or an equivalent rating) from a nationally recognized bond rating agency, on the related Closing Date each purchaser of such Bonds shall execute and deliver an investor acknowledgement letter in form and substance satisfactory to the Authority and its Legal Advisor; provided, however, the provisions of this paragraph may be waived by the Authority in its sole discretion prior to the issuance of such Bonds.

2.7 If the Bonds are to be privately placed, the bond placement agent or the ultimate purchaser of such Bonds must submit an investor acknowledgement letter to the Authority, including representations that it has performed its own due diligence of the Project, and will purchase and hold such Bonds as a private placement. Any subsequent resale of such Bonds must be restricted to accredited investors or qualified institutional buyers.

2.8 Legal Advisor to the Authority must receive such legal opinions (including an enforceability opinion of counsel to the Borrower), certificates and other proceedings as are necessary and advisable to evidence compliance by the Borrower and the Underwriter or any other purchaser of the Bonds with the Authority's policies and procedures and applicable federal and state laws.

2.9 The Authority, its officers, directors, staff, employees, agents and Chief Executive Officer, and the City of Phoenix, Arizona (the "City") must be provided with full indemnification in connection with the issuance and sale of the Bonds, in form and substance satisfactory to the Authority's Legal Advisor, from a credit-worthy source.

2.10 The Borrower must receive final approval by the Council of the City and, if necessary, the Arizona Department of Housing prior to the issuance of the Bonds.

2.11 Except to the extent the Project and the proposed financing thereof are deemed to be a Carryforward Project, preliminary approval of the Project by the Authority expires on the 180th day following the grant of preliminary approval by the Authority unless the Bonds have been issued or an extension of preliminary approval has been approved by the Authority.

Section 3. This Resolution is an affirmative official action and declaration of official intent of the Authority relating to the issuance of the Bonds as contemplated herein including, without limitation, under Treasury Regulations Section 1.150-2. The Authority hereby acknowledges that the Borrower intends to allocate a portion of the proceeds of the Bonds to the reimbursement of any such costs of the Project paid prior to the issuance of the Project in accordance with Section 1.150-2 of the Treasury Regulations.

Section 4. Nothing contained in this Resolution, or in any other instrument, may be considered as obligating the Authority or the City to any pecuniary liability or charge upon the general credit of the Authority or the City. Furthermore, it is understood that no costs are to be borne by the Authority with respect to the Project and the issuance and sale of the Bonds except those to be paid out of the proceeds of the Bonds, and that the Borrower will promptly pay to or reimburse the Authority for any other fees, costs, and expenses reasonably incurred by the Authority, including the fees of Bond Counsel, its Legal Advisor and financial advisor, if any, whether or not any Bonds are issued or sold.

Section 5. The Authority, Legal Advisor, Bond Counsel or other representative of the Authority is hereby authorized to determine, in consultation with the Borrower, a date for a public hearing on the plan of financing of the Project and the proposed issuance of the Bonds, as required by Section 147(f) of the Code, and to publish a public notice of such hearing in such form as approved by the Borrower and Bond Counsel and to conduct such hearing.

Section 6. On the basis of this Resolution, the Borrower may file a request for allocation for private activity bonding authority for the Bonds through the Arizona Finance Authority (whether in the form of a carryforward allocation or otherwise) in an aggregate principal amount which shall not exceed \$20,000,000.

Section 7. All actions of the officers, directors, staff, employees, agents and Chief Executive Officer of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance thereof, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved. The proper officers, directors, staff, employees, agents and Chief Executive Officer of the Authority are hereby authorized and directed to do all such acts on behalf of the Authority as may be deemed necessary or desirable to carry out the terms and intent of this Resolution. Signature pages for any documents requiring the Authority's signature shall be delivered to the Legal Advisor no fewer than seven (7) days prior to each Closing Date or any other date on which an executed signature page is required, and once executed will be held in escrow by the Legal Advisor and delivered on each Closing Date or on such other date, as applicable, on which an executed signature page is required.

Section 8. Any provisions of the Authority's Bylaws, Pamphlet and/or resolutions inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any Bylaw, Pamphlet or resolution or any part thereof.

Section 9. If any section, paragraph, clause or provision of this Resolution is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision does not affect any of the remaining provisions of this Resolution.

Section 10. It is found and determined that all formal actions of the Authority and its Board concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Authority.

Section 11. Arizona Revised Statutes Section 38-511 requires that every contract to which the State, its political subdivisions or any of the departments or agencies of the State or its

political subdivisions is a party include notice that such contract is subject to cancellation, within three years after its execution, by the State, political subdivision, department or agency which is a party to such contract if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, political subdivision, department or agency is, at any time while the contract is in effect, an employee of any other party to the contract or an agent or consultant of any other party to the contract with respect to the subject matter of the contract.

Section 12. This Resolution is not to be construed as providing advice concerning municipal securities or otherwise. This Resolution represents the Board of Director's preliminary determination that the execution and delivery of documents and delivery of the documents and the offer, sale, issuance and delivery of the Bonds by the Authority as contemplated in this Resolution and the effect thereof will each be in furtherance of the purposes and interests of the Authority under the Act. This Resolution is not intended to provide, and shall not be construed as providing, advice by any member of the Board of Directors to the Authority or to the Borrower with respect to the issuance of the Bonds for purposes of 15 U.S.C. Section 78o-4(e)(4)(A)(i) or otherwise.

Section 13. This Resolution is effective immediately upon its adoption.

[Signature page follows]

Adopted and approved this 18th day of January, 2024.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer



PHOENIXIDA

Item 4



MEMORANDUM

DATE: January 18, 2024
TO: Members, Board of Directors
FROM: Murray Boess, Chief Financial Officer
SUBJECT: Goodwill of Central and Northern Arizona

BACKGROUND

First Fidelity Bank (FFB) is seeking participation from the Phoenix IDA for a new loan related to the acquisition of an existing commercial building which currently houses Goodwill's adult education courses. FFB is contemplating providing a short-term loan to the borrower for this endeavor.

Goodwill of Central and Northern Arizona is a 501(c)(3) non-profit organization working as a catalyst for improved change and is dedicated to ending poverty through the power of work. The organization is deeply rooted in the local community and positively impacts Arizonans every day. Donations and purchases through its various locations make it possible for Goodwill to provide no-cost career development, training, and education services to community members across Arizona who require assistance connecting to jobs and landing meaningful employment. Each year, the non-profit organization serves residents of local communities by providing them with the knowledge, skills, and confidence they need to achieve self-sufficiency, including their families.

Goodwill industries was founded in 1902 by Reverend Edgar Helms with the mission to give people hope, dignity, and independence. Goodwill started with Helms walking door-to-door in Boston's wealthiest districts, carrying burlap bags and asking for donations of clothing and household items. From day one, the Goodwill mission differed from many charities at the time. Helms emphasized that donated goods would be sold for profit and that the money would be used to pay workers who helped refurbish items. The original concept was so visionary that is just as relevant today as it was 100 years ago.

THE PROJECT

The subject property is an existing school facility totaling 26,254 square feet on a 2.45-acre site. The building is located at 4837 E. McDowell Road in Phoenix, Arizona along the south side of McDowell Road and east of 48th street. It was originally constructed in 1981 and refurbished in 2022.

FFB plans to lend Goodwill up to \$3,290,000 and is seeking a partner to participate in \$500,000 of that amount. In addition to collecting all payments and paying the Phoenix IDA accordingly, FFB would manage the lending relationship, monitor annual covenants, including analysis of financial statement activity during the loan period. The Phoenix IDA would have access to loan information and files.

PLAN OF FINANCING

This would be a new loan with a fixed rate of 7.75%, with no loan servicing fee. The Phoenix IDA interest rate would be equal to that charged by First Fidelity Bank, the lead lender in this financing

opportunity. The loan would be for 24 months, with monthly principal and interest payments amortized over 25 years, with a 12-month extension option provided the subject loan is not in default. The short-term nature of the project is to give borrower ample time to structure and complete a sale / leaseback arrangement. The Phoenix IDA would also collect a \$2,432 fee on its loan commitment at close of the loan.

RECOMMENDATION

Daniel J. Holwerda Esq. as legal advisor to Phoenix IDA and I, recommend approval be granted subject to the terms and conditions contained in the Board approval resolution, as reviewed by same.

RESOLUTION NO. 2024-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA GRANTING APPROVAL OF THE ACQUISITION OF THE PARTICIPATION LOAN IN THE AMOUNT EQUAL TO \$500,000; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT OF A PARTICIPATION AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE TRANSFER OF THE PARTICIPATION LOAN; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE PARTICIPATION LOAN; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH COMPLETING THE ACQUISITION OF THE PARTICIPATION LOAN.

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”), incorporated with the approval of the City of Phoenix, Arizona (the “City”), pursuant to the provisions of the Constitution and laws of the State and Title 35, Chapter 5, Section 35-701 et seq., Arizona Revised Statutes, as amended (the “Act”); and

WHEREAS, the Act provides that the Authority may make secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement, equipping or operating of a “project” (as defined in the Act) whenever the Board of Directors of the Authority (the “Board of Directors”) finds the loans to further advance the interest of the Authority or the public; and

WHEREAS, under the Act the term “[p]roject” includes within its meaning any land, any building or any other improvement and all real and personal properties, including machinery and equipment whether or not now in existence or under construction and whether located within or without this state or the municipality or county approving the formation of the corporation, that are suitable for any educational institution that is operated by a nonprofit educational organization that is exempt from taxation under section 501(c)(3) of the United States internal revenue code; and

WHEREAS, in early January, 2024, First Fidelity Bank (“FFB”) made a \$3,290,000 term loan (the “Loan”) to Goodwill of Central and Northern Arizona, an Arizona non-profit corporation exempt from taxation under section 501(c)(3) of the United States internal revenue code (the “Borrower”), for the acquisition of a commercial property located at 4837 E. McDowell Road, Phoenix, AZ 85008 (the “Property”) which the Borrower previously used and currently uses for its adult education courses; and

WHEREAS, the Loan is at 70.88% loan-to-cost and remains in place for up to 36 months, featuring monthly principal and interest payments amortized over 25 years. The Loan is secured

by a first-priority lien on the Property. FFB sold a \$500,000 participation (the “Participation Loan”) in the Loan to the Phoenix Community Development and Investment Corporation (“PCDIC”); and

WHEREAS, in furtherance of its purposes, the Authority is considering the purchase of PCDIC’s entire interest in the Participation Loan in an amount equal to \$500,000. The Board of Directors believes it is in the Authority’s best interest for the Authority to purchase the Participation Loan; and

WHEREAS, the Authority has reviewed the Participation Agreement (the “Contract”) between PCDIC and FFB. Upon approval of the Participation Loan by the Authority, PCDIC will provide to the Authority a draft assignment and all other documents required in connection with the assignment and transfer of the Participation Loan (collectively, the “Participation Documents”).

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

Section 1. Conditional Consent to Participation Loan. Subject to Section 2 below, the Authority hereby consents to the acquisition of the Participation Loan from PCDIC.

Section 2. Conditions. The Authority’s consent to the Participation Loan is subject to (1) the approval of the final version of the Participation Documents by the Authority’s chief executive officer (the “CEO”) and legal counsel to the Authority; (2) the Authority’s receipt of the Contract and the Participation Documents and any other instruments which the CEO and legal counsel to the Authority reasonably deem to be necessary or appropriate under the circumstances; and (4) the approval of the final underwriting of the Participation Loan by the CEO and his designated staff.

Section 3. Approval of Contract. The CEO and the other duly elected officers of the Authority are hereby authorized and directed, for and on behalf of the Corporation, to:

(a) engage in the negotiation of the Participation Documents and any other agreements and documents that will be required to memorialize and consummate the acquisition of the Participation Loan as the CEO, or any other duly elected officer of the Authority determines to be necessary or desirable and in the best interests of the Authority, which determination will conclusively be evidenced by his or his designee’s approval thereof; and

(b) execute and deliver on behalf of and in the name of the Authority, the Participation Documents and any other related agreements, documents and instruments to give effect to the foregoing resolution as those persons determine to be necessary or desirable and in the best interests of the Authority, and any things performed or to be performed, and any instruments executed and delivered, by those persons shall be conclusive evidence that those things and instruments have been determined by those persons to be necessary or desirable and in the best interests of the Authority.

Section 4. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, agents or its CEO, including but not limited to the engagement of legal counsel, directed toward the completion of the acquisition of the Participation Loan, are hereby approved and ratified.

Section 5. Further Actions. The CEO, upon satisfaction of the conditions set forth in Section 2 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the Participation Documents required to be delivered in connection with the acquisition of the Participation Loan.

Section 6. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Waiver. Any provision of any bylaws, orders, procedures and resolutions of the Authority inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any bylaw, order, procedure or resolution or any part thereof.

Section 8. Liability. The CEO and any director, officer, official, employee, advisor or agent of the Authority shall not be subject to any personal liability or accountability by reason of the completion of the acquisition of the Participation Loan. The liability of the Authority with respect to any document executed in connection with the transactions contemplated hereby, including the Participation Documents, shall be limited as provided in such documents.

Section 9. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 10. Effectiveness. This Resolution shall take effect immediately.

[Signature page follows]

Adopted and approved this 18th day of January, 2024.

**THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF PHOENIX,
ARIZONA**

By: _____
Juan Salgado, Chief Executive Officer

Credit Summary – Goodwill Loan Participation

Date: 1/18/2024

Borrower: Goodwill of Central and Northern Arizona - 501 (c)(3) Nonprofit Entity	Project to be financed: Purchase of existing property (26,254 sq. ft. building on 2.45-acre site) which currently houses borrower's adult education courses.	Relationship Manager: Robert Avalos First Fidelity Bank
Borrower Address: 2626 W. Beryl Avenue Phoenix, AZ 85021	Project Address: 4837 E. McDowell Road Phoenix, AZ 85008 Eligible NMTC Site. Census Tract: #04013111202 \$1,351,389 Borrower Equity \$2,790,000 FFB Loan \$ 500,000 Phoenix IDA Loan \$4,641,389 Total Project Cost	Type of Business: Adult Education
Principal Contact(s): Susan Barnes	Website: N/A	Tax ID: 86-0104415

Loan Amount	\$3,290,000 (Total term loan to Borrower – 70.88% LTC)
Lead Lender	\$2,790,000 – First Fidelity Bank (FFB)
Phoenix IDA / PCDIC Participation	\$500,000 – (11% of \$4,641,389 total project cost) The Phoenix IDA will purchase \$500,000 of FFB's term loan, which will reduce FFB's exposure down to \$2,790,000.
Loan Term	2 years of P&I payments, amortized over 25 years, with 12-month extension based on the same terms upon written request, provided borrower is not in default. The short-term nature of the project is to give the borrower ample time to complete a sale / leaseback.
Prepayment Penalty	None
Interest Rate	Phoenix IDA loan – 7.75% fixed.
Monthly Payment	\$24,850 / month
Servicing Fee	n/a
Loan Servicer	FFB – First Fidelity Bank
Origination Fee	\$16,000 with prorated share due the Phoenix IDA based on percentage of loan participation.
All Other Fees	None
Use of Funds	Acquisition of existing property
Collateral	Recorded, ALTA-insured, First Deed of Trust, and Assignment of Rents on the property (subject property was constructed in 1981 and refurbished in 2022).
Loan to Value	70% per KS Appraisal on 9/12/23 for \$4,700,000 – Acquisition Cost.
Repayment Source(s)	Primary: Cash flow from operations (proforma Fixed Charge Coverage Ratio of 1.26x) Secondary: Liquidation of collateral
Guarantors	n/a
Financial Covenants	<ul style="list-style-type: none"> Minimum Fixed Charge Coverage Ratio of 1.05:1.00 to be tested annually with receipt of CPA audited financial statements. Borrower required to open a deposit relationship with FFB with minimum balance of no less than \$2,500,000.

	<ul style="list-style-type: none">• No later than 150 days after end of each fiscal year, Borrower to provide company balance sheet and income statement for the year ended, audited by CPA satisfactory to Lender.• No later than 45 days after the end of each fiscal quarter, Borrower to provide company balance sheet and profit and loss statement for the period ended, prepared by Borrower.• Annual borrower prepared projections due within 30 days from fiscal year end.
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PHOENIXIDA

Item 5



City of Phoenix

To: Phoenix IDA Board

Date: January 8, 2024

From: Titus Mathew
Housing Director

Subject: COMMUNITY DEVELOPMENT FUND REQUEST HOTEL FOR HOMELESS VETERANS

Mission/Vision

The City of Phoenix Housing Department's mission is to provide quality affordable housing and a pathway to self-sufficiency. Phoenix Housing manages the City's public housing properties, affordable housing properties, affordable housing development, the Section 8 Housing Choice Voucher program, and resident supportive services.

Project Description

In 2020, the City of Phoenix purchased a vacant 4 story, 174 room hotel at 12027 N. 28th Drive to provide a new location for the United States Veterans Initiative (U.S. VETS) and allow them to continue providing transitional and permanent supportive housing for homeless veterans in Phoenix. US VETS was operating out of a hotel on Grand Avenue and had lost their lease. The vacant hotel is currently owned by Phoenix Housing with the long-term goal of transferring ownership to U.S. VETS via lease-purchase.

The vacant hotel required extensive renovation and remodel work to create housing units that met the Veteran's Administration inspection requirements for transitional housing. The construction and renovation work both caused and revealed unforeseen repair work that extended the time between acquisition and occupancy. Both the City and U.S. VETS have had to find significant additional funding to pay for the work, repairs, and maintenance of the building as it continued to sit vacant. In addition, U.S. VETS had to raise funds for alternative office space and housing to continue operations while waiting for occupancy.

Currently, the renovation is experiencing a shutdown due to the plumbing system malfunctioning throughout the building. In addition, the roof has had several leaks during the rains. Phoenix Housing is requesting up to \$120,000 from the Phoenix IDA's Community Development Fund to conduct a speedy and comprehensive plumbing and roof assessment for the hotel. Once the assessments are completed, Phoenix Housing will reallocate funding and manage the repair and construction work necessary for

certificate of occupancy. The Housing Department is also seeking an additional \$50,000 for local project management services to assist the US Vets in managing vendor performance and ensuring compliance with project scope for a total grant of \$170,000.

Need for the Project

The Maricopa Regional Continuum of Care's 2023 Point in Time Count showed that homelessness in the region grew 7%, when compared to 2022. Amongst Veterans, this figure increased 20% since last year. Currently, U.S. VETS serves an average of 270 clients via transitional housing each quarter, providing them with access to housing and emergency supplies, and then supporting their longer-term housing and wellness goals. Clients served represent all branches of military service, and close to half identify as part of a community of color, more than half report experiencing mental health issues, and about one-quarter experience substance use challenges. U.S. VETS' strategy for the future includes expanding its organizational capacity in line with the growing demand for services for unhoused Veterans. To achieve this, U.S. VETS is transitioning to its new site and investing in the facility's full renovation so that it meets the unique needs of Maricopa County's Veteran community.

Population to be Served.

Homeless veterans and their families

Goals Objectives and Strategies

U.S. VETS' transitional housing programming is designed to provide Veteran clients with the community and resources needed to thrive in civilian life. U.S. VETS – Phoenix offers case management, mental health counseling, job assistance, transportation, social activities, meals, and other wraparound support. U.S. VETS' service delivery model focuses on individualized support, addressing the unique needs of Veterans and their families in a therapeutic community. Each Veteran is assigned a case manager to guide them through their journey from homelessness to permanent housing. U.S. VETS can provide a majority of services on-site. Importantly, U.S. VETS also leverages community partnerships to ensure Veterans have a full range of specialized services available to them, including those not provided in-house by U.S. VETS.

Projected Outcomes and Related Indicators

Completion of this work will lead to the availability of 162 transitional housing units for Veterans in Maricopa County. U.S. VETS will house approximately 270 Veterans through its transitional housing program, each quarter. Veterans will be served by the program for an average of 100 days. U.S. VETS will leverage its housing units on-site (once completed) and those scattered in the County, its CoC partnerships, the HMIS system, and its comprehensive suite of services to identify Veterans in need, match them with housing opportunities, and develop paths toward their long-term housing stability. Approximately 55% of clients will transition to permanent housing each year.

Collaborative Partners

U.S. VETS is an active member of the Maricopa Regional Continuum of Care and refers and accepts referrals from partner agencies. U.S. VETS is involved in the local Point-In-Time Count, utilizes the Homeless Management Information System (HMIS), and is part of the Coordinated Entry System. U.S. VETS also has long-standing relationships with other service providers that can support the Phoenix Veteran population, including local U.S. Department of Veterans Affairs (VA) offices, other dedicated veteran services

organizations, providers from regional mental and medical health networks, substance use disorder support centers, and justice entities. These collaborations minimize duplication of services and maximize resources for Veterans in the community.

Implementation Plan

The \$50,000 will allow the Phoenix IDA to immediately engage a local contractor to oversee repair work currently being performed. The \$120,000 grant will allow the Phoenix IDA to directly contract with Phoenix Housing's preferred plumbing vendor and roofing contractor to bypass a lengthy procurement process. Phoenix Housing will then use the assessment to formulate a comprehensive scope of work to put out to bid.

Sustainability

U.S. Vets receives per diem payments from the US Veterans Administration to pay for operations providing housing and services for homeless veterans. In addition, U.S. Vets receives grants/funding from state and local governments and foundations to supplement operations and services.

Budget

The final cost of the plumbing and roof repair work is unknown. Phoenix Housing currently has \$3 million in ARPA funding set aside to complete work on this hotel. In addition, U.S. Vets is fundraising and has applied for a grant from the State Department of Housing for \$5 million in capital and \$1.25 million for operations.

Council District/City Council letter of support

Contact Name

Titus Mathew, Director
City of Phoenix Housing Department
251 W. Washington, 4th floor
Phoenix, AZ 85003
602-262-4924
titus.mathew@phoenix.gov

To: Phoenix Industrial Development Authority
PO Box 10439,
Phoenix, AZ 85064
Attn: Juan Salgado

Date: January 10, 2024

From: Ann O'Brien
District 1 Councilwoman

Subject: Letter of Support for Request for Funding for US Vets

Dear Mr. Salgado:

On behalf of the City of Phoenix Council District 1, this letter is submitted to indicate full support for the City of Phoenix Housing Department's (COPHD) request for \$170,000 for the plumbing study/investigation, roof assessment and provide management services on behalf of the US Vets.

U.S. VETS' transitional housing programming is designed to provide Veteran clients with the community and resources needed to thrive in civilian life. U.S. VETS – Phoenix offers case management, mental health counseling, job assistance, transportation, social activities, meals, and other wraparound support. U.S. VETS' service delivery model focuses on individualized support, addressing the unique needs of Veterans and their families in a therapeutic community. Each Veteran is assigned a case manager to guide them through their journey from homelessness to permanent housing. U.S. VETS can provide a majority of services on-site. Importantly, U.S. VETS also leverages community partnerships to ensure Veterans have a full range of specialized services available to them, including those not provided in-house by U.S. VETS.

Completion of this work will lead to the availability of 162 transitional housing units for Veterans in Maricopa County. U.S. VETS will house approximately 270 Veterans through its transitional housing program, each quarter. Veterans will be served by the program for an average of 100 days. U.S. VETS will leverage its housing units on-site (once completed) and those scattered in the County, its CoC partnerships, the HMIS system, and its comprehensive suite of services to identify Veterans in need, match them with housing opportunities, and develop paths toward their long-term housing stability. Approximately 55% of clients will transition to permanent housing each year.

The \$170,000 grant will allow the Phoenix IDA to directly contract with Phoenix Housing's preferred plumbing vendor and roofing contractor. COPHD will then use the assessment to formulate a comprehensive scope of work to put out to bid.

Sincerely,





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Item 6

Phoenix IDA Housing Strategy

Purpose

Advance the production of attainable housing and support vulnerable communities in the City of Phoenix and the State of Arizona.

Current Housing Challenges

Arizona's population growth continues to lead the West as American households increasingly move to sunbelt states. Most of this growth occurred in Maricopa County, which gained over 720,000 residents between 2010 and 2022. The construction of housing has not kept up with demand from the rising population, resulting in a housing shortage that has driven up rental and home prices to unattainable levels for many residents. The housing shortage has resulted in severely cost-burdened households, overcrowding, and increased homelessness.

Housing affordability is a factor at many income levels with demand raising the prices of older housing stock that is usually reliable and naturally occurring affordable housing. Most significantly, there is a shortage of affordable rental units for low- and moderate-income residents. The National Low Income Housing Coalition estimates a shortage of 136,282 rental homes for extremely low-income households and only 86 rental units available for every 100 moderate income households statewide. The housing shortage is not just a social justice issue, it is also an economic problem. Across Arizona, many working residents are experiencing difficulty finding adequate, attainable housing necessary for a stable workforce.

The objectives and strategies detailed in this plan are designed to assist in the acquisition and development of affordable and workforce housing as well as support for housing advocacy and supportive services for housing stability.

Key Definitions

Affordable Housing – housing that is restricted to households with income equal to or less than 80% of Area Median Income and regulated by land use restrictions and/or a local or federal government agency. Maximum rents are established annually by the US Department of Housing and Urban Development with the objective that households pay no more than 30% of their income towards rent.

Area Median Income (AMI) – the midpoint of a specific area's income distribution calculated annually by the US Department of Housing and Urban Development. AMI is adjusted to reflect the size of the household. AMI is a benchmark used to determine eligibility for federal programs such as the Low-Income Housing Tax Credit and Housing Choice Voucher Programs.

Attainable Housing – housing with a monthly rent or sales price that is achievable and will not result in cost burdened housing instability for low- and moderate-income households.

Special Purpose Entity – a legal entity created to fulfill narrow, specific objectives.

Workforce Housing – rental housing and/or homes that are affordable for households earning 80% to 120% of Area Median Income. Intended for working households with moderate income; generally, not subsidized with federal funding or programs and not regulated to ensure that households pay no more than 30% of their total income toward rent or mortgage.

Objectives

Objective 1	Increase Phoenix IDA’s participation in the production of affordable and workforce housing.
Objective 2	Assist the City of Phoenix with the implementation of the Housing Phoenix Plan.
Objective 3	Provide support for vulnerable communities and organizations served by the Phoenix IDA and PCDIC.

Strategies

The following are specific strategies to meet the broad objectives described above. Many of these strategies will be implemented concurrently. Check marks indicate whether the strategy is short-term (12 months or less) or long term (1 to 5 years).

		Short-Term	Long-Term
Objective 1	Increase the Phoenix IDA’s participation in the acquisition and development of affordable and workforce housing.		

		Short-Term	Long-Term
Strategy A	<p>Create Special Purpose Entities to lessen the burden of government and facilitate the development of affordable and workforce housing. Utilize these entities' non-profit status to:</p> <ol style="list-style-type: none"> 1. Facilitate the financing of affordable housing projects with loans and bond capacity. 2. Accept donations/transfers of land and funding for the purpose of creating affordable and workforce housing. 3. Apply for state and federal grants and/or loan programs to assist with the acquisition, construction, and rehabilitation of affordable and workforce housing. 4. Act as owner, co-developer, lender, lessor, and/or investor as needed to facilitate the development of affordable and workforce housing projects. 	<p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p>
Strategy B	<p>Facilitate School District Real Estate (SDRE) Acquisition for the purpose of developing affordable and/or workforce housing:</p> <ol style="list-style-type: none"> 1. Create a process to purchase the land from the school districts, place a long-term land use restriction on the property, hold the land in a Special Purpose Entity, and sell or lease the land to a housing developer. 2. Partner with current “teacherages” efforts by Vitalyst Health Foundation, School Districts, developers, and other local organizations to facilitate housing development projects on school district land. 3. Support rezoning efforts and advocate for legislation to expand the ability to create teacherages statewide. 	<p>✓</p> <p>✓</p> <p>✓</p>	
Strategy C	<p>Utilize the resources of the Phoenix IDA to find innovative ways to finance and facilitate five key components of affordable and workforce housing development: 1) land banking; 2) rezoning; 3) gap financing; 4) private activity bonds; and 5) alternative financing for pre-construction, construction loans, and development.</p>		

		Short-Term	Long-Term
	<ol style="list-style-type: none"> 1. Find ways to combine and leverage financing opportunities for business and workforce housing development. 2. Create a loan fund specifically for construction of single-family affordable homes on improved vacant lots: <ul style="list-style-type: none"> • Infill lots with immediate access to required utilities. • Revolving master guidance line of credit with sub-notes. Typical sub-notes require homebuilder to provide lender with pre-approved homebuyer mortgage commitments prior to start of unit construction. • Utilize third party inspectors to validate unit draws and construction activity until receipt of certificate of occupancy. 		<p>✓</p> <p>✓</p>
Strategy D	<p>Capitalize on partnerships with local governments, non-profits, industry associations, and community-based organizations seeking to fund, develop, and support affordable housing projects.</p> <ol style="list-style-type: none"> 1. Co-invest in affordable housing projects. 2. Support zoning cases and legislative measures to ease zoning restrictions for housing development. 3. Partner to advocate for affordable housing and homeless shelters/housing. 	<p>✓</p> <p>✓</p> <p>✓</p>	
Strategy E	<p>Partner with employers, non-profits, churches, and other landowners seeking to create attainable housing for working families:</p> <ol style="list-style-type: none"> 1. Assist with land acquisition and facilitate the sale or lease of land to the housing developer. 2. Assist with alternative financing tools to develop workforce housing. 		<p>✓</p> <p>✓</p>

		Short-Term	Long-Term
Objective 2	Assist the City of Phoenix with the Implementation of the Housing Phoenix Plan.		
Strategy A	Assist with affordable housing development on city-owned land including: <ol style="list-style-type: none"> 1. Purchase or accept transfer of city-owned land and facilitate housing development. 2. Acquisition of adjacent parcels to include in sale or lease to developer. 3. Facilitate the sale or lease of the land to housing developer. 	<p>✓</p> <p>✓</p>	<p>✓</p>
Strategy B	Expand the portfolio of the Phoenix Community Land Trust (CLT) to provide homeownership opportunities for low- and moderate-income households: <ol style="list-style-type: none"> 1. Purchase or accept transfer of single-family properties for the purpose of placing them in the CLT. 2. Support the placement of high-quality manufactured homes on vacant lots that are part of the CLT. 		<p>✓</p> <p>✓</p>
Strategy C	Support and facilitate the use of Accessory Dwelling Units (ADUs) on single-family home properties to provide additional affordable rental housing: <ol style="list-style-type: none"> 1. Advocate and support changes to the zoning ordinance to allow ADUs citywide. 2. Support the use of sustainable, quick occupancy manufactured dwellings for ADUs. 3. Explore/create financing tools to assist homeowners in purchasing ADUs to be used for affordable rental housing. 	<p>✓</p> <p>✓</p>	<p>✓</p>
Strategy D	Support and participate in Choice Neighborhoods community revitalization projects: <ol style="list-style-type: none"> 1. Provide gap financing and 4% bond financing for Choice Neighborhoods housing development projects. 	<p>✓</p>	

	<ol style="list-style-type: none"> 2. Provide support and possible financing for medical and small business development and expansion in the Edison Eastlake community. 3. Explore ways to partner in the Marcos de Niza Choice Neighborhoods planning effort. 		<p>✓</p> <p>✓</p>
		Short-Term	Long-Term
Strategy E	<p>Support efforts to increase homeownership for low- and moderate-income households:</p> <ol style="list-style-type: none"> 1. Continue to adjust Home in Five down payment and mortgage assistance in fluctuating market. 2. Expand the Home in Five program to include manufactured housing. 3. Market the Home in Five program to any affordable single-family housing projects in which the Phoenix IDA is a participant. 4. Explore additional efforts to increase homeownership such as lease-to-own and targeted marketing to underrepresented populations. 	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p>

		Short-Term	Long-Term
Objective 3	Provide support for vulnerable communities and organizations served by the Phoenix IDA and PCDIC.		
Strategy A	<p>Explore alternative housing solutions for persons displaced by Mobile Home Park redevelopment:</p> <ol style="list-style-type: none"> 1. Summarize and communicate successful methods of coordinating casework services, remuneration, and housing placement for displaced residents. 2. Explore the acquisition of existing mobile home parks and alternative ownership strategies such as community land trust or resident ownership equity to prevent future displacement of residents. 3. Advocate for zoning relief and participate in the development of new manufactured home subdivisions to replace 	<p>✓</p> <p>✓</p>	<p>✓</p>

	homeownership opportunity lost by mobile home park redevelopment. 4. Find alternative financing tools, grants, and other funding to assist displaced residents with a new homeownership opportunity.		✓
		Short-Term	Long-Term
Strategy B	Explore innovative ways to create quick occupancy, affordable housing for homeless and extremely low-income residents: 1. Advocate for and participate in new manufactured home park development to replace homeownership lost by mobile home park closures.		✓
Strategy C	Continue to provide grant and other funding opportunities for organizations serving and housing homeless, low income, and other disadvantaged populations in Arizona.	✓	

Resources

Phoenix IDA

- Bond Financing for LIHTC and other affordable housing projects
- Loan programs
 - Home in Five
 - Pre-construction through Arizona Community Fund (ACF)
 - Direct lending in partnership with ACF

Phoenix Community Development & Investment Corporation

- Gap Financing for 4% LIHTC

Community Enhancement Corporation (501c3)

- Workforce Housing Financing

Other

- Donations/gifts to Special Purpose Entities
- Local or federal grants
- Workforce Housing funders such as WISE Ventures and National Equity Fund
- Identify and collaborate with other funding sources such as ACF, Vitalyst, LISC, HOME Matters, Arizona Housing Fund, etc.

Outcomes (green=complete)

Short-Term (12 months or less)

Outcome 1	Revise Home in Five program with lower interest first mortgage options by June 30, 2023.
Outcome 2	Form a 501c3 Special Purpose Entity by September 29, 2023
Outcome 3	Complete the purchase and sale of Isaac School District Property by August 31, 2023.
Outcome 4	Work with ADOH and Developers to support and encourage the conversion of unsuccessful 9% LIHTC applications to 4% for projects located in the City of Phoenix in Summer/Fall 2023.
Outcome 5	Engage a Real Estate firm to search for properties suitable for land banking for affordable housing, workforce housing, and manufactured housing by March 30, 2024.
Outcome 6	Identify city's priorities for affordable housing by March 30, 2024, and work to facilitate development.
Outcome 7	Create a model for the purchase and sale of SDRE and communicate that with school districts, ADOH, community organizations, and housing developers by October 31, 2023.
Outcome 8	Add a manufactured housing option to the Home in Five program for FHA & VA loans by October 31, 2023.
Outcome 9	Issue single-family mortgage revenue bonds by November 30, 2023.

Outcome 10	Fund, staff, and otherwise render Special Purpose Entity operational by January 31, 2024.
Outcome 11	Engage in and provide commitments to support the Phoenix Housing Department on Choice Neighborhoods planning and redevelopment efforts in Edison Eastlake and Marcos de Niza by March 30, 2024.
Outcome 12	Identify alternative financing tools, including federal and State grants, for workforce housing, affordable housing, and manufactured housing by March 30, 2024.

Long-Term (1-5 years)

Outcome 1	Utilizing the 501c3 or bond financing, structure and participate in 3-5 affordable housing developments in the City of Phoenix preferably utilizing city or school district-owned land.
Outcome 2	Utilizing the 501c3 and other alternative financing funds or tools, structure and participate in 3-5 workforce housing developments in the State of Arizona.
Outcome 3	In partnership with a Community Land Trust or other long-term affordable ownership structure, participate in 1-2 manufactured housing subdivisions intended to provide homeownership opportunities for low-income households.
Outcome 4	In partnership with community banks focused on receiving CRA credit, create a revolving line of credit for small homebuilders.



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Item 7

MEMORANDUM

DATE: November 1, 2023

TO: Members, Board of Directors

FROM: Murray Boess, Chief Financial Officer

SUBJECT: Financial Statements for Period Ending September 30, 2023

Attached are the financials for September 2023 for your review and approval. The notes below are provided to supplement the information contained in the financial statements.

Statement of Net Position (Balance Sheet)

Accounts Receivable: receivable balances carried over from last fiscal year.

Fixed Assets: Property acquired through a special purpose entity, Phoenix Community Enhancement (Bret Tarver), LLC, for a ground lease to UMOM to construct workforce housing. Lease revenue is to be recognized annually over the 75-year term of the lease.

Allocated Funds: Adjustments were made at the beginning of the year to reflect the budget adopted and additional budget adjustments to increase the Community Development Fund budget.

Fee Income: Includes first year revenue for the Bret Tarver lease and privilege (sales) tax to be paid in October, as well as the return of funds from ACF for pre-funded expenses of the cancelled CodePHX project.

Total operating expenses through September were above budgeted expense levels, primarily due to expenses yet to be reimbursed. Revenues for the year to date exceeded budgeted revenues, primarily due to lease revenue and other fee income.



**Statement of Net Position
September 30, 2023**

Assets

Current Assets	
Cash and cash equivalents	\$ 2,908,592
Certificates of Deposit	23,466,779
Receivables	94,524
Other current assets	37,600
Total Current Assets	<u>\$ 29,387,495</u>
Noncurrent Assets	
Investments	\$ 2,147,688
Long term notes receivable, net	6,181,332
Total Noncurrent Assets	<u>\$ 10,322,372</u>
Total Assets	<u><u>\$ 39,709,867</u></u>

Liabilities and Net Position

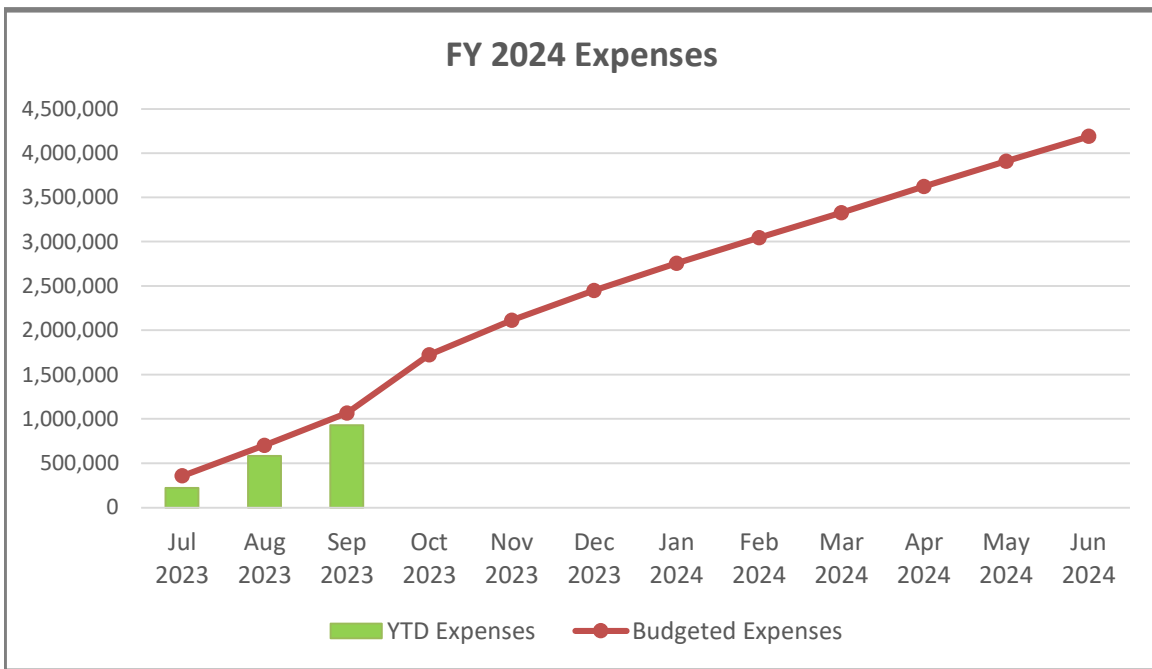
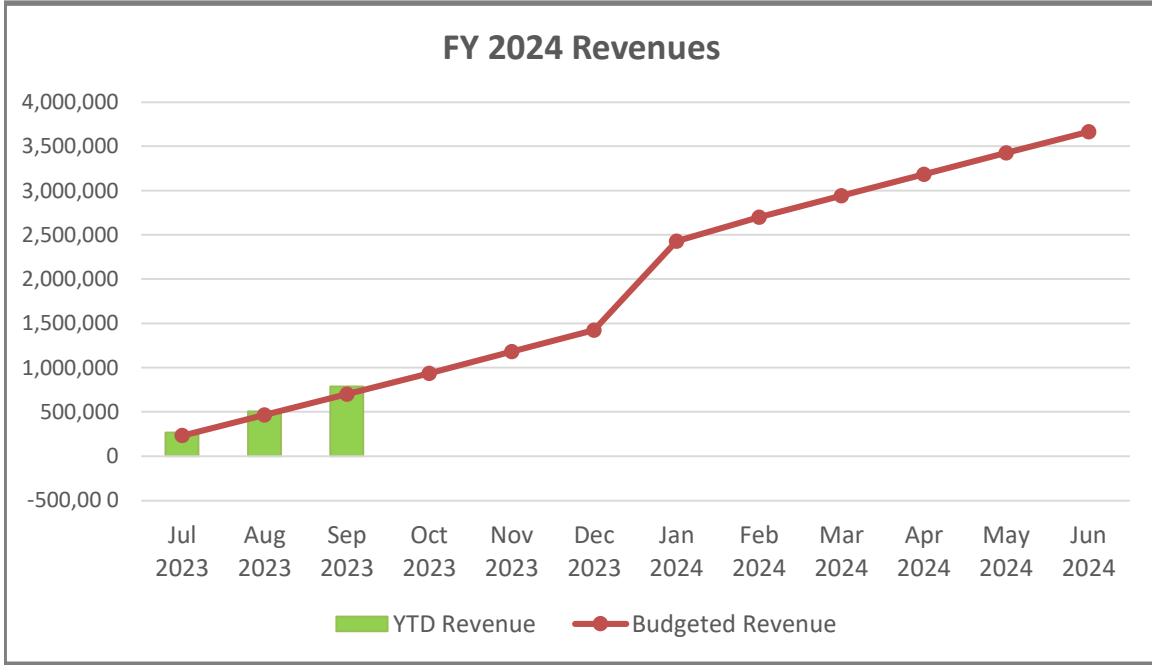
Current Liabilities	
Accounts payable	\$ 87,447
Accrued expenses	24,533
Customer Deposits	2,848,000
Deferred Loan Fees	-
Total Current Liabilities	<u>\$ 2,959,980</u>
Allocated Funds	27,757,665
Net Assets - Unrestricted	<u>8,992,222</u>
Total Liabilities and Net Assets	<u><u>\$ 39,709,867</u></u>



**Statement of Revenues, Expenses and Changes in Net Position
For the Month and Year to Date as of September 30, 2023**

	<u>September-23</u> Current	<u>Actual</u>	<u>Year to Date</u> Budget	<u>Variances</u>	<u>Annual</u> Budget
Operating Revenue					
User Assessment Fees	\$ 0	\$ 5,672	\$ 0	\$ 5,672	\$ 800,000
Residential Mortgage Program Fees	20,694	69,126	90,000	(20,874)	440,000
Fee Income	251,345	405,025	240,000	165,025	940,600
Total Operating Revenue	<u>\$ 272,039</u>	<u>\$ 479,823</u>	<u>\$ 330,000</u>	<u>\$ 149,823</u>	<u>\$ 2,180,600</u>
Operating Expenses					
General and Administration	\$ 144,591	\$ 365,728	\$ 478,220	\$ 112,492	\$ 1,761,900
Bond Administration	12	12	4,650	4,638	10,000
Other Programs	65,489	196,237	211,650	15,413	845,250
Community Development Fund	0	1,463	157,000	155,537	981,000
Program and Project Development	137,329	365,001	208,700	(156,301)	576,500
Loan Portfolio Administration	0	0	3,900	3,900	14,500
Total Operating Expenses	<u>\$ 347,421</u>	<u>\$ 928,441</u>	<u>\$ 1,064,120</u>	<u>\$ 135,679</u>	<u>\$ 4,189,150</u>
Operating Income	\$ (75,382)	\$ (448,618)	\$ (734,120)	\$ 285,502	\$ (2,008,550)
Non-Operating Revenue					
Interest income	\$ 98,575	\$ 354,042	\$ 370,400	\$ (16,358)	\$ 1,485,000
Net change in the fair value of investments	(90,718)	(48,274)	0	(48,274)	0
Total Non-Operating Revenue	<u>\$ 7,858</u>	<u>\$ 305,768</u>	<u>\$ 370,400</u>	<u>\$ (64,632)</u>	<u>\$ 1,485,000</u>
Change in Net Position	<u>\$ (67,524)</u>	<u>\$ (142,850)</u>	<u>\$ (363,720)</u>	<u>\$ 220,870</u>	<u>\$ (523,550)</u>

Phoenix IDA Budget vs. Actual Through September 30, 2023





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Item 8



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Future Board Agenda Items.



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Item 9



MEMORANDUM

DATE: January 18, 2024
TO: Members, Board of Directors
FROM: Bruce Mosby, Chairman, Board of Directors
SUBJECT: CHAIR REPORT

2024 Strategic Opportunities –

- October 17 - Juan Salgado and Christa Severns met with Jeff Barton and Government Affairs Director Frank McCune to review the Strategic Opportunities. Both said they did not have concerns but directed the Phoenix IDA to meet with the Mayor and Council to get approval. Ginger Spencer was unable to attend but she was briefed afterward.
- October 19 - Juan Salgado reached out to City Manager Jeff Barton before the board meeting to discuss the 2024 Strategic Opportunities which included the engagement of a lobbyist to assist in introducing amendments to legislation this coming session.
- November 5 - Staff reached out to Mayor Gallego's assistant Tony Motola on. Tony asked that we submit a schedule request to review the Strategic Opportunities with the Mayor. Request submitted on November 6.
- November 27 - Christa followed up with Tony. Christa explained the Strategic Opportunities at length with Tony. We have not heard back from the Mayor's office.
- Lobbyist, Rob Dalager has been informed about our progress. He indicates we can still introduce legislation once the session begins on January 8th. It is better to do it earlier, but there is still time to do so in January.
- Last day to introduce bills is Monday, February 5, 2024.

2024 Phoenix IDA Strategic Plan Update -

- The Phoenix IDA staff held a retreat on July 25-26, 2023, to discuss ideas and formulate the recommended structure for a strategic plan for the organization.
- At its meeting on October 19, 2023, the Board of Directors approved the Phoenix IDA's 3-Year Strategic Plan (for the 2024, 2025, and 2026 calendar years).
- The Strategic Plan includes three over-arching Goals along with nine Strategies, which are the approaches to be taken to accomplish each of the Goals.
- Tactics are the specific action steps to be taken in support of the respective Strategy, and the staff is currently identifying such tactics for 2024.
- The Board can expect quarterly progress updates beginning in April 2024.

Education sessions will continue in 2024, first session will be held on February 16, 2023.



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Item 10



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CALL TO THE PUBLIC



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ADJOURNMENT