



**Minutes
of the
Regular Meeting of Board of Directors of
The Industrial Development Authority of the County of Maricopa
(the "Authority")**

Date: September 15, 2015, 9:00 a.m.

Place: Maricopa County Administration Building
Board of Supervisors Conference Room
301 West Jefferson, 10th Floor
Phoenix, Arizona

Presiding: Victor D. Vidales

Present: Jeremy Stawiecki, Victor D. Vidales, Steven Bales, Jr.,
Charles P. Thompson, William McAllister and Lisa A. James
(telephonically)

Absent: David M. Adame and Ronald L. Westad

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Kathleen Jakubowicz

**Business Development
Officer:** Gregg J. Ghelfi

Attorney: William F. Wilder and John J. Fries of Ryley Carlock &
Applewhite

Mr. Vidales called the Regular Meeting of the Board of Directors of the Authority to order at 9:05 a.m., noting the presence of a quorum.

**1. APPROVAL OF MINUTES OF THE ANNUAL AND REGULAR MEETING
OF THE BOARD HELD ON AUGUST 11, 2015.**

On motion made by Mr. McAllister and seconded by Mr. Stawiecki, the minutes of the August 11, 2015 Board meeting were approved as submitted.

The motion passed unanimously by a vote of (4-0). Ms. James abstained from voting.

2. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$85,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF CHRISTIAN CARE SURPRISE, INC., TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A 313-UNIT SENIOR LIVING FACILITY LOCATED AT 16477 WEST BELL ROAD AND 16640 NORTH SARIVAL AVENUE, SURPRISE, ARIZONA.

Mr. Wilder referred to the summary of the project previously distributed to the Board Members, and explained that in order to close this bond issue, it will be necessary to supplement the Indenture of Trust in Christian Care's 2014 bond financing to move a date that would allow for the flow of funds to coincide with payment dates in the Surprise project bond issue. Those funds could then be used as equity in the Surprise project. A closing for this bond issue is expected to happen mid-October.

Mr. Wilder introduced Bryant Barber of Lewis Roca Rothgerber, bond counsel, and John Norris of Christian Care.

Mr. Norris presented the overall site plan for the project and explained some of the amenities to be provided to the residents.

(Mr. Bales arrived at 9:18 a.m.)

Mr. Barber explained that Christian Care has a number of successful projects, and would like to use the income stream from its successful projects as equity for the proposed project in Surprise. Christian Care will also be injecting \$600,000 into the Surprise project to buy down rental costs for modest income tenants.

After further discussion and upon motion made by Mr. Stawiecki and seconded by Mr. McAllister, the following was adopted:

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the issuance of not to exceed \$70,000,000 The Industrial Development Authority of the County of Maricopa Senior Living Facility Revenue Bonds (Christian Care Surprise, Inc. Project) Series 2015A

and

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the issuance of not to exceed \$15,000,000 The Industrial Development Authority of the County of Maricopa Subordinate Senior Living Facility Revenue Bonds (Christian Care Surprise, Inc. Project) Series 2015B.

The motions passed unanimously by a vote of (6-0).

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE 2012 HOME IN FIVE ADVANTAGE MORTGAGE ORIGINATION PROGRAM.

Ms. Scharbach said the Home in Five Program has now closed or is in the process of closing over 7,100 loans totaling over \$1.192 billion, and the program continues to move very aggressively. Down payment assistance in the program has now totaled over \$60 million.

Ms. Scharbach reminded the Board that a press release/event is still in the works, and the team is trying to include the announcement of adding teachers and first responders to those homebuyers receiving an additional 1% down payment assistance with the press event.

Ms. Scharbach gave an update on the Nova Home Loans audit that had been performed by the Office of Inspector General ("OIG"), and reported that National Association of Local Housing Finance Agencies ("NALHFA") has been the national advocate for housing finance authorities with respect to the OIG's recommendations.

Ms. Scharbach said that on August 11, 2015 HUD's general counsel released a report stating they do not support the OIG's conclusion that Nova violated FHA requirements regarding premium pricing for the provision of gifts. At this time, HUD is still drafting their "official" response to the OIG's recommendation. Ms. Scharbach said she feels confident that when the final determination is made, it will be based on FHA's conclusion.

Ms. Scharbach then updated the Board Members on the addition of conventional loans into the program, and explained that the Arizona Housing Financing Authority ("AZHFA") has indicated they are not planning to stop providing their conventional loan program within the boundaries of Maricopa County, so there could be competing products in Maricopa County once the conventional piece is added into the Home in Five program. Ongoing meetings with representatives of AZHFA are expected.

Mr. Wilder said there are no State statutes that prohibit AZHFA from competing outside of their defined boundaries on a "non-bond" program.

Mr. Thompson suggested Mr. Adame and Ms. LeVinus could possibly be advocates for the Authority with respect to this issue.

4. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended August 31, 2015, and reviewed the same.

Ms. Scharbach pointed out the new invoice for Ghelfi Consulting that will be submitted on a monthly basis. Mr. Thompson questioned the cost of insurance premiums listed as an expense on the invoice. Ms. Scharbach said when the salary was first negotiated, the insurance requirements were not considered; however, if it

had been considered, the base pay would most likely have been higher to factor costs such as these into the salary.

Mr. McAllister moved to approve the payment of invoices as submitted for the period ended August 31, 2015. Mr. Bales seconded the motion.

The motion passed by a vote of (6-0).

5. FINANCIAL REPORT.

Ms. Scharbach distributed the unaudited financial statements for the period ended August 31, 2015, and reviewed the same.

Ms. Scharbach referred to the \$5 million ASU Hybrid Electronics payable that was reversed because ASU did not receive the \$75 million grant from the Department of Defense. Ms. Scharbach pointed out the Supplemental Schedule of Grants, highlighting the newest grants that were approved through the Arizona Community Foundation grant cycle.

6. PRESIDENT'S REPORT.

Mr. Vidales appointed a new roster for the Community Investment Committee ("CIC"):

Bill McAllister - chair
Charlie Thompson
Jeremey Stawiecki
Ron Westad

Mr. Vidales said the next CIC meeting will be scheduled for October 6, 2015.

Mr. Vidales suggested the CIC consider developing a loan program, along with streamlining the application process for smaller bond issues.

Mr. Vidales then appointment Mr. Thompson to replace Mr. Ghelfi on the investment panel relating to ASU's Maricopa County Manufacturing Venture Fund.

Mr. Vidales said he met with Supervisors Kunasek and Gallardo regarding a potential meeting with various Mayors of the West Valley to find ways in which the Authority can work together with the cities/towns of the West Valley. Mr. Vidales suggested Board Members with any potential business opportunity ideas contact Mr. Ghelfi.

Mr. Vidales also suggested the Board find marketing opportunities associated with each bond closing, perhaps working with the Supervisors on projects located within each of their districts.

7. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach said she has been working with Maricopa County's public information officer, and is confident the Authority will be able to successfully work with him for future press releases.

Ms. Scharbach reminded the Board Members of the upcoming GPEC Annual Dinner.

Ms. Scharbach reported that Mr. Ghelfi has been working diligently on various connections/progress he has been making in the past three weeks. Going forward, an item will be added to the Authority's agenda for Mr. Ghelfi to report on his progress.

8. LEGAL COUNSEL REPORT.

Mr. Wilder has no report.

9. COMMENTS FROM BOARD MEMBERS.

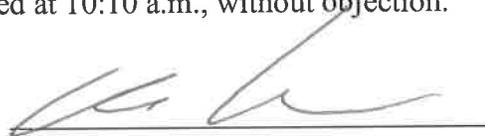
There were no comments from the Board.

10. CALL TO THE PUBLIC.

No members of the public commented.

ADJOURNMENT

With no further business to come before the Authority, upon motion made and duly seconded, the Regular Meeting was adjourned at 10:10 a.m., without objection.

A handwritten signature in black ink, appearing to be "G. H.", is written over a horizontal line.