

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

Date: February 9, 2021, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Maria Spelleri

Present: Maria Spelleri, Ronald L. Westad, Andrew M. Cohn, Lisa A. James, Ronald J. Castro, Jr., Jeremey Stawiecki and Rebecca Burnham

Absent: Steve Bales and Jim Rounds

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Kathleen Jakubowicz

Business Development Officer: Gregg Ghelfi

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

Guests: Courtney LeVinus, Jake Hinman, Charles Lotzar, Robert Lee, Tim Nash, Verity Kang

Maria Spelleri called the Regular Meeting of the Board of Directors of the Authority to order at 9:32 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE SPECIAL MEETING OF THE BOARD HELD ON JANUARY 25, 2021.

On motion made by Ms. Burnham and seconded by Ms. James, the minutes of the January 25, 2021, Special Meeting was approved as written.

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

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$20,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF DEER VALLEY GARDENS, LP.

The following persons were in attendance telephonically in support of the Deer Valley Gardens project: Charles Lotzar of the Lotzar Law Firm; Robert Lee of Spira Equity Partners; and Tim Nash and Verity Kang of Kutak Rock.

Mr. Fries reminded the Board they preliminarily approved a \$20,000,000 financing on January 25, 2021, to finance a senior living multifamily housing project known as Deer Valley Gardens, located at 15051 West Deer Valley Drive in Sun City West, Arizona (the "Project").

The financing will be considered a "note" because it will be financed through a FreddieMac Tax-Exempt Loan Program, and is expected to close in March 2021.

After further discussion and upon motion made by Ms. Burnham and seconded by Mr. Westad, 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 \$20,000,000 of the Authority's Multifamily Housing Revenue Note (Deer Valley Gardens Project), Series 2021.

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

3. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Courtney LeVinus and Jake Hinman were in attendance to report on legislative matters.

Ms. LeVinus reported that over 1,700 bills have been introduced this session, which is a record number. To date, 15 uncontroversial bills have passed. The House and Senate will be looking at some major tax packages and major reform bills this session.

Mr. Hinman reported Bill 1377, which is a Covid premise liability reform bill, has been introduced, and will be heard in Senate Judiciary this week. It is expected to pass Senate Judiciary into the Senate without any issues.

Mr. Castro joined the meeting at 9:48 a.m.

Other bills of interest being introduced include bills relating to the Trust Fund, Housing Trust Fund and finding ways to refund the Housing Trust Fund, regulation of affordable housing, and low income housing tax credit. Both sides of the aisle are really focusing on affordable housing this session.

4. DISCUSSION AND ACTION AS DETERMINED REGARDING THE APPROVAL OF GRANT APPLICATIONS FOR THE AUTHORITY'S COMMUNITY INVESTMENTS.

Ms. Scharbach reminded the Board that at the September 2020 Board meeting, the Board approved a new grant cycle with the Arizona Community Foundation ("ACF") for \$1.5 million, with a maximum of \$250,000 per request. The Board also approved changes to the Authority's grant guidelines, including having staff review the grant proposals in conjunction with ACF, rather than tasking the review of applications to the Authority's Community Investment Committee.

Ms. Scharbach reported that after she and Mr. Ghelfi reviewed 37 letters of interest, 21 of those applicants were invited to participate. Thirteen of the 21 applications are being brought to the Board for consideration, based on the grant guidelines.

Ms. Scharbach also referred to the summary of the grant proposals provided in the Board packages.

Mr. Ghelfi then gave a brief description of each of the 13 proposals being presented to the Board, which included applications from:

Banner Health Foundation, Arouet, Jewish Family and Child Services, A New Leaf, St. Joseph the Worker, St. Mary's Food Bank, Local First, Career Connectors, Center for the Future of Arizona, Native American Fatherhood and Families Association, Friendly House, Arizona Friends of Foster Children, and Arizona Autism Charter School.

It was noted that to stay within the confines of the \$1.5 million grant cycle, the requests being made from some of the applications were reduced.

Mr. Westad suggested each of the 13 applicants receive the full amount of their request (since it is roughly only an additional \$375,000), rather than the reduced amount suggested by staff.

On motion made by Mr. Westad and seconded by Mr. Stawiecki, the Board approved the full amount of each of the 13 requests totaling up to \$1,899,950, as laid out in the attached Grant Cycle Ranking spreadsheet, including grants for Banner Health Foundation, Arouet, Jewish Family and Child Services, A New Leaf, St. Joseph the Worker, St. Mary's Food Bank, Local First, Career Connectors, Center for the Future of Arizona, Native American Fatherhood and Families Association, Friendly House, Arizona Friends of Foster Children, and Arizona Autism Charter School.

Ms. Spelleri declared a conflict on the Arouet application, and recused herself from voting on that item.

Ms. James declared a conflict on the St. Joseph the Worker application, and recused herself from voting on that application.

The motion passed by a vote of (7-0) on each application, with the exception of the Arouet and St. Joseph the Worker applications, which passed by a vote of (6-0) with Ms. Spelleri not voting on the Arouet request, and Ms. James not voting on the St. Joseph the Worker request, reporting conflicts with those applicants.

Ms. Scharbach added that each of the Applicants will be required to enter into a Grant Funding Agreement with the Authority.

5. FINANCIAL REPORT.

Ms. Scharbach referred to the unaudited financial statements for the periods ended December 31, 2020, and January 31, 2021; copies of which are attached hereto. Ms. Scharbach reviewed the January 31, 2021 financial statements.

Ms. Scharbach said one of her goals is to get a more in-depth investment reporting product to the Board, and would like to put together an investment policy for the Board to authorize.

6. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the months ended December 31, 2020, and January 31, 2021.

Mr. Westad moved to approve the payment of invoices as submitted for the periods ended December 31, 2020, and January 31, 2021. Mr. Stawiecki seconded the motion.

The motion passed unanimously by a vote of (7-0).

7. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported on the Home in Five program, stating since the inception of the program, there have been \$4.5 billion in purchases and \$171 million of down payment assistance.

Mr. Ghelfi explained that the average price of a home has gone from \$197,000 in 2012 to \$255,000 in 2020, which makes this program all the more attractive.

In response to a question from Ms. Spelleri as to whether the Home in Five program might offer additional down payment assistance to homebuyers, Mr. Ghelfi explained

there is a possibility of offering 5% down payment assistance; however, it would be an investment between the Phoenix and the Maricopa County IDAs.

8. **PRESIDENT'S REPORT.**

There was no report.

9. **EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach had no report.

10. **LEGAL COUNSEL REPORT.**

Mr. Fries reported the HonorHealth closing is scheduled to take place on February 11, 2021.

11. **COMMENTS FROM BOARD MEMBERS.**

There were no comments from the Board Members.

12. **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 10:30 a.m., without objection.



Ronald J. Coats