

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

Date: November 14, 2017, 9:30 a.m.

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

Presiding: Steven Bales, Jr.

Present: Steven Bales, Jr., Jim Rounds, Doug Smith, Maria Spelleri,  
Charles P. Thompson, Ronald L. Westad, Ronald J. Castro, Jr.  
and Lisa A. James

Absent: Jeremey Stawiecki

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. Bales called the Regular Meeting of the Board of Directors of the Authority to order at 9:30 a.m., noting the presence of a quorum.

**1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON OCTOBER 10, 2017.**

On motion made by Mr. Thompson and seconded by Ms. Spelleri, the minutes of the October 10, 2017 Regular Meeting were approved as submitted.

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

**2. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$26,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF WESTMINSTER VILLAGE.**

Mr. Wilder introduced the following persons who were in attendance in support of the proposed financing: Bud Hart, CEO, and Tom Winkelman, COO and CFO, both of Westminster Village, Inc.; Jim Rester of HJ Sims; and Jennifer Cospier and Tim Pickrell of Squire Patton Boggs.

Mr. Wilder explained that Westminster Village is a non-profit 501(c)(3) organization that has been in operation for over 30 years in Scottsdale, Arizona. Westminster Village plans to refund conventional debt with the proceeds of the bonds, along with plans for some renovation of the property. The bonds will be purchased in their entirety by Western Alliance Bank.

Mr. Wilder said the financing documents are in substantially final form.

*Mr. Smith arrived at 9:35 a.m.*

After further discussion and upon motion made by Mr. Thompson and seconded by Ms. Spelleri, 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 \$26,000,000 The Industrial Development Authority of the County of Maricopa Senior Living Revenue Bonds (Westminster Village, Inc. Project), Series 2017.

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

**3. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$12,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF HERITAGE AT SURPRISE.**

*Ms. James arrived at 9:36 a.m.*

The following persons were in attendance in support of the proposed financing: Gloria Munoz, Executive Director, and Kevin Kellogg of the Housing Authority of Maricopa County ("HAMC"); Zach Johnson, Project Manager, of Gorman & Company ("Gorman") (HAMC and Gorman together "Co-Developers") and Kelly McGuire of Kutak Rock, bond counsel.

Ms. Munoz reported the Heritage at Surprise project is a new 100-unit affordable housing development to be constructed in Surprise, Arizona, as part of master planned development wherein there will also be commercial, educational, library,

aquatic center and a park. The financing will consist of 4% tax credits and tax-exempt bonds.

In response to a question from Mr. Smith, it was reported that the land will be a 65-year lease from the City of Surprise with options to extend. The estimated useful life of the project will be 30 years.

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

RESOLVED to adopt a Resolution in the form presented to the meeting granting preliminary approval for the issuance of not to exceed \$12,000,000 The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Heritage at Surprise Project), Series 2018.

**The motion passed unanimously by a vote of (8-0).**

**4. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.**

Courtney LeVinus reported on the congressional tax reform package, stating that the House bill currently would eliminate private activity bond funding ("PABs"); however, the Senate version of the bill retains PABs. Numerous meetings, telephone calls and letters have gone out in support of retaining PABs. More efforts will continue to contact elected officials regarding the impact and ramifications of eliminating PABs.

Ms. LeVinus also reported that Arizona Senator Flake is not seeking re-election.

Ms. Spelleri asked that the Board Members receive information being sent out to Senators/Representatives.

Ms. James and Mr. Thompson suggested that if Board Members have a personal relationship with any Senator or Representative, they may want to contact them in support of retaining PABs.

**5. REPORT, DISCUSSION AND ACTION AS DETERMINED REGARDING THE 2012 HOME IN FIVE ADVANTAGE MORTGAGE ORIGINATION PROGRAM.**

Ms. Scharbach referred to the memorandum in the Board Member packages and reported that as of November 6, 2017 the program originated 17,154 mortgage loans totaling approximately \$3.1 billion. There are currently 141 lending institutions registered to participate in the program.

Ms. Scharbach reported there are ongoing discussions regarding a forgivable second mortgage for the down payment assistance portion of the Home in Five loans to eliminate homebuyers from refinancing their homes too quickly.

Ms. Scharbach distributed a flyer that is now included on the new Home in Five website: <http://www.homein5advantage.com>.

**6. PAYMENT OF INVOICES.**

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended October 31, 2017.

Ms. Scharbach reminded the Board Members of the reason for the Kutak Rock invoices relating to copyright infringement matters for the Home in Five Program, along with research for the second mortgage on the down payment assistance.

Mr. Westad moved to approve the payment of invoices as submitted for the period ended October 31, 2017. Ms. Spelleri seconded the motion.

Mmes. Spelleri and James and Messrs. Bales, Rounds, Smith, Westad and Castro voted aye. Mr. Thompson voted nay.

**The motion passed by a vote of (7-1).**

**7. FINANCIAL REPORT.**

Ms. Scharbach distributed copies of the unaudited financial statements for the period ended October 31, 2017, and reviewed the same. Copies of the unaudited financial statements are attached hereto.

Ms. Scharbach pointed out that the Authority's net income position has not shifted a great deal in the past five years; however, the Authority has supported approximately \$20 million in local community investments.

**8. REPORT FROM THE COMMUNITY INVESTMENT COMMITTEE.**

A report was given on the October 31, 2017 Community Investment Committee ("CIC") meeting.

Ms. Scharbach and Mr. Westad highlighted the following discussions of the CIC meeting:

- The creation of sponsorship guidelines will be brought back to the Board for approval;
- In an effort to be fully transparent with the Authority's assets, the Authority's investment policy will be reviewed and modified as necessary. Once a new investment policy is created, it will be brought back to the full Board for approval. The Authority may want to consider investing more with Arizona Community Foundation ("ACF"). ACF's investment policy is very

sophisticated and more liberal than the State Treasurer's office (which the Authority is currently following), and ACF does invest in equities.

- A consensus of the CIC was to not change the current grant guidelines.
- An inventory of the Authority's grants was distributed at the CIC meeting and discussed. This may be an item to discuss in more detail at the Authority's strategic planning session.
- At Board Member suggestions, language will be added to all of the funding agreements requiring grantees to hold collaborative meetings with other grantees in an effort to find areas wherein they can work together.
- There was a discussion on "larger scale ideas" for grants to lessen the administrative burden of so many small grants. This may also be an item to discuss at the strategic planning session. Some ideas for larger scale ideas might include a scholarship program and workforce housing.

Ms. Spelleri suggested the Board consider using some of its funds for predevelopment dollars for its bond applicants.

**9. BUSINESS DEVELOPMENT OFFICER.**

Mr. Ghelfi reported that he attended a ribbon cutting ceremony at Luke Air Force Base for the Military & Veteran Success Center, which the Authority had recently granted \$963,900. Supervisor Hickman spoke on behalf of the Authority.

**10. PRESIDENT'S REPORT.**

Mr. Bales reported that Jeremy Stawiecki will no longer be serving on the Community Investment Committee because of other demands on his time.

Mr. Bales invited the Board Members to attend the January 9, 2018 meeting at 10:30 a.m. in the Buckeye Valley Chamber of Commerce Meeting Hall, Buckeye, Arizona.

**11. EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach reminded the Board Members of the December 1, 2017 I Am Home Breakfast sponsored by the Human Services Campus.

Ms. Scharbach announced that there will be a press release reporting the Home in Five Program hitting the \$3 billion mark in mortgage loans.

**12. LEGAL COUNSEL REPORT.**

Mr. Wilder had no report.

**13. COMMENTS FROM BOARD MEMBERS.**

There were no comments from Board Members.

**14. 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 10:43 a.m., without objection.

A handwritten signature in blue ink, appearing to read "Steve Bales Jr.", is written over a horizontal line. The signature is fluid and cursive.