

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

Date: August 13, 2024, 9:30 a.m.

Place: GoToMeeting – virtually

Presiding: Lisa A. James

Present: Lisa A. James, Rebecca Burnham, Freddie Bracamonte, Ronald J. Castro, Jr., Vanessa Valenzuela Erickson, Andrew M. Cohn, and Jeremey Stawiecki

Absent: Jose Martinez and Leah Landrum Taylor

Executive Director: Shelby L. Scharbach

General Counsel: Julie Arvo MacKenzie

Special Counsel: Brigitte Finley Green of Squire Patton Boggs

Administrators: Janis L. Larson and Mary Misic

Guests: Julie Guffey, Courtney LeVinus, Ty Lorts, Chuck LeVinus, Doug Coward, Chris Camacho, Gabriel Jaramillo, Suzanne Pfister, Stephanie Herndon, Adrian Ruiz, Annie Donovan, Shannon Scutari and Michelle Hindman

Ms. James called the Regular Meeting of the Board of Directors 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 JUNE 11, 2024.**

On motion made by Mr. Castro and seconded by Mr. Bracamonte, the minutes of the June 11, 2024, Regular Meeting were approved as written.

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

**2. REPORTS BY MULTIFAMILY HOUSING COMPLIANCE REVIEW ADVISORS, AND DISCUSSION AND ACTION AS DETERMINED REGARDING COMPLIANCE WITH LAND USE RESTRICTION**

**AGREEMENTS OR REGULATORY AGREEMENTS ENCUMBERING OUTSTANDING MULTIFAMILY HOUSING PROJECTS FINANCED BY THE AUTHORITY.**

Ms. Scharbach introduced Julie Guffey of JAG Compliance and Consulting, who was engaged by each property owner to perform an annual review of their multifamily housing project as required by the respective regulatory agreement encumbering their properties.

Ms. Guffey reported that each of the 19 properties she reviewed performed according to their respective regulatory agreement.

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

Courtney LeVinus reported the Legislature has adjourned after signing into law 259 bills. Those bills will become effective September 14, 2024.

Ms. LeVinus then reported on the primary election results and her predictions for the November elections.

Ms. LeVinus explained that with the numerous citizen initiatives and legislative referrals on the ballot this year, there are concerns about the length of time it will take people to vote.

Ms. LeVinus responded to questions from the Board Members.

**4. PRESENTATIONS (NOT ACTION ITEMS):**

**(a) RAZA DEVELOPMENT FUND – ARIZONA WORKFORCE HOUSING IMPACT FUND**

The following persons were present in support of the grant request/presentation: Annie Donovan and Adrian Ruiz of Raza Development Fund (“RDF”), Gabriel Jaramillo and Suzanne Pfister of Vitalyst Health Foundation (“Vitalyst”), Shannon Scutari of Scutari and Company, and Stephanie Herndon of Greater Phoenix Leadership (“GPL”).

Ms. Pfister explained that they are increasing affordable workforce housing through the collaboration of the private sector and business leaders by bringing about a cultural shift wherein individual employers and philanthropy are involved in the development of workforce housing.

Mr. Ruiz reviewed the structure and products of the Arizona Workforce Housing Impact Fund (the “Fund”), as well as investors they would like to bring into the Fund.

Mr. Ruiz explained RDF works in collaboration with Vitalyst and other GPL members and GPL, in particular, to provide favorable financing to for-profit and nonprofit developers for early-stage capital. The Fund will be flexibly structured and

provide below-market rate loans for eligible projects supplementing other pre-development financing. The Fund could also be used to finance land acquisitions as well as hard and soft costs of construction and stabilization expenses.

The Fund will be managed by RDF, which is the largest national Latino-focused nonprofit Community Development Financial Institution (“CDFI”).

The Fund is proposing to originate a portfolio of individualized investments each with a proposed duration of three to five years, comprised of predevelopment loans up to \$1,000,000, secured predevelopment loans up to \$2,000,000, land loans up to \$4,000,000, and mezzanine bridge loans through project stabilization permanent refinance up to \$5,000,000.

The goal for the Fund is to begin making individual investments once the Fund has a total committed capital of \$10,000,000. The Fund is anticipated to be a close ended fund with a total duration of 7 to 10 years.

There will be three different investment options: (a) a direct common equity investment; (b) a below market rate investment in the form of a quasi-preferred equity investment with a defined return and liquidation preference over a direct common investment; and (c) a restricted grant made to RDF as a nonprofit organization that can be used for the sole purpose of making an indirect equity investment. All these forms of capital would be blended together to reduce the overall cost of borrowing.

To date, there are commitments from Vitalyst, RDF, Virginia Piper Charitable Trust, and others.

Mr. Jaramillo reviewed some of the uses for the Fund, including teacher housing, housing on church properties, co-located examples of Federally-Qualified Health Centers (“FQHCs”) with housing, and community development corporations in Phoenix and around the State.

Ms. Pfister said they would appreciate the Authority joining their partnership.

No action was taken.

**(b) SUSTAINABLE HOME IMPROVEMENT LOANS OF ARIZONA (“SHILA”) – GREEN BANK**

The following persons were present in support of the grant request/presentation: Ty Lorts, Executive Director and co-founder, and Chuck LeVinus of SHILA, and Doug Coward, founder of Solar Energy Loan Fund (“SELF”).

Mr. Lorts explained that SHILA is the first statewide 501(c)(3) green bank in Arizona and is committed to empowering low and moderate-income homeowners and small businesses across Arizona with affordable financing for sustainable building

practices. SHILA's mission is to help reduce energy costs, transition to a cleaner economy and improve the standard and quality of life for residents in Arizona.

SHILA provides direct financing to homeowners for energy efficient home improvements in the form of low-cost unsecured loans with interest rates from 5.5% to 9.9%. This allows local contractors to have access to another market because those homeowners would not have been able to get financing through traditional financing methods.

SHILA also helps to reduce energy costs, allowing homeowners to stay in their homes.

Green banks are private-public partnerships with the goal to deploy capital to improve clean energy technology across the country. SHILA is Arizona's first statewide green bank focused on residential projects. SHILA receives support from its partner, SELF, located in Florida.

Mr. Lorts noted there is a green bank in Tucson, funded by the Tucson IDA but mostly focused on Tucson commercial projects.

Mr. Lorts explained that Congress passed the Inflation Reduction Act ("IRA") in 2022 wherein \$27 Billion was allocated for the Greenhouse Gas Reduction Fund ("GGRF"). The GGRF's primary objective was to reduce greenhouse gas emissions and air pollution, provide benefits to low-income and disadvantaged communities, and mobilize and leverage financing and private capital to transform markets.

SHILA is focused on the Solar For All portion of the GGRF, which had \$7 Billion allocated for residential solar projects in lower income communities. Arizona will receive \$156 million of that allocation. The EPA is the administrator of the Solar For All Program, but the money itself must be deployed through green banks, CDFIs and credit unions.

Examples of projects that SHILA can finance include HVAC systems, roofs, windows, disability-related modifications and solar. SELF will be doing the underwriting on these loans and will provide the loan capital. SHILA will be getting a small project management fee for the loans. After a year of making these loans, SHILA will apply for CDFI status. This process with the CDFI program will eventually allow them to move into multifamily housing improvements and clean energy commercial projects.

SHILA's funding will initially be comprised of private and public grants and gifts and the earned revenue from the operation itself, i.e. project management fees. Once the fund reaches approximately \$10 million, it will become self-sustainable.

Mr. Lorts then introduced Doug Coward, founder of SELF, the oldest green bank in the country.

Mr. Coward explained that SELF was created in 2010 and became a certified CDFI in 2012. SELF's mission is to help rebuild the under-served communities by assisting lower income homeowners in gaining access to low-cost capital to repair their homes. Mr. Coward said the loans are based on the homeowners' ability to pay, not credit scores. Over the past 14 years, SELF has completed over 3,500 projects totaling \$35 million, helping around 10,000 people. Default rates have been at approximately 2%. Three out of four of these loans have been made for lower income homeowners.

Mr. Lorts said SHILA's request from the Authority would be for a one-time grant of \$500,000 to assist with business administrative and operating costs.

No action was taken.

**(c) GREATER PHOENIX ECONOMIC COUNCIL – INTERNATIONAL PROGRAM**

Chris Camacho, CEO and President of Greater Phoenix Economic Council ("GPEC") was in attendance to discuss GPEC's international program and request support from the Authority for the program.

Mr. Camacho explained that local international prospect efforts began in 2004 and have grown significantly to date. He then reviewed a timeline of key international developments over the past 20 years and reported GPEC has become the leading economic development shop nationally and internationally being recognized as one of the top organizations because of their focused execution against their business plan. Currently, 27% of the pipeline is international business. Metro Phoenix, Maricopa County and Arizona are still climbing in terms of global identity, and the number of international delegations being hosted in Phoenix are growing.

Mr. Camacho then reported on their Expanded International Budget and explained the budget goal for this program is \$1,000,000. Mr. Camacho requested a grant from the Authority in the amount of \$500,000.

No action was taken.

*The following agenda items were taken out of order.*

**9. ELECTION OF OFFICERS, AND ACTION AS DETERMINED.**

Ms. Scharbach explained past practices of the Authority have been to annually rotate up Board Members into officer positions. Ms. Scharbach reported she has been in contact with each Board Member in such a position, and all have agreed to accept the new office, if that is the Board's desire.

Ms. James moved, and Mr. Bracamonte seconded, to approve the following slate of officers for the 2024-2025 period to serve from the conclusion of this meeting until their successors are appointed:

President	Rebecca L. Burnham
First Vice President	Andrew M. Cohn
Second Vice President	Jeremey Stawiecki
Secretary/Treasurer	Ronald J. Castro, Jr.

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

Ms. Scharbach thanked Ms. James and the current officers for their past year of service.

*Ms. Burnham left the meeting at 11:00 a.m.*

**8. PAYMENT OF INVOICES, AND ACTION AS DETERMINED.**

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the months ended June 30, 2024, and July 31, 2024, and requested approval by the Board.

Mr. Castro moved to approve payment of the invoices as submitted for the months ended June 30, 2024, and July 31, 2024. Mr. Bracamonte seconded the motion.

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

*Ms. Valenzuela Erickson left the meeting at 11:02 a.m.*

**5. REPORT REGARDING RENEWAL OF INSURANCE.**

Ms. Scharbach referred to the memo in the Board Member packages outlining the insurance policies that have been purchased by the Authority for the year, and reported the premium was approximately \$1,700 higher than the previous year, partially due to adding coverage for the Authority's General Counsel.

**6. REPORT BY THE AUTHORITY'S PRESIDENT ON THE AUTHORITY'S CONDITION AS REQUIRED BY ARTICLE III, SECTION 1 OF THE AUTHORITY'S BY-LAWS.**

Ms. James referred to the President's report in the Board Member packages and reported the Authority had numerous accomplishments over the past year, one of the most exciting being the Home in Five program; however, significant resources were spent on that program.

**7. FINANCIAL REPORT.**

Ms. Scharbach referred to the financial statements included in the Board packages for the months ended June 30, 2024, and July 31, 2024, and briefly reviewed the June 30, 2024, financials.

Ms. Scharbach explained many bond users are opting to pay their issuer administrative fees as upfront one-time fees, which has made the Authority's revenues look very healthy for the past fiscal year.

Expenses are higher than normal; however, that is due to the expenses involved in issuing mortgage revenue bonds for the Home in Five Platinum Program. However, actual operating expenses are only \$3,000 higher than the previous fiscal year.

Ms. Scharbach reported the auditors should begin their review sometime in September.

**10. PRESIDENT'S REPORT.**

Ms. James reported on a letter received from The Industrial Development Authority of the City of Phoenix, Arizona ("PIDA") requesting the Authority cease financing multifamily housing bond issues within Phoenix and instead refer those projects to PIDA. Ms. James explained a response was sent to PIDA declining their offer since the majority of the multifamily housing projects financed through the Authority involve borrowers/developers with which the Authority has an established working relationship.

Ms. Scharbach added the same request was made by PIDA to the Arizona Industrial Development Authority.

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

There was no Executive Director's report.

**12. LEGAL COUNSEL REPORT.**

Ms. Arvo MacKenzie referred to the legal counsel report included in the Board Member packages, mentioned the financing dates are fluid, and reported an additional charter school financing application is expected to be submitted for inclusion on the September agenda for final approval with a closing in October.

**13. COMMENTS FROM BOARD MEMBERS.**

There were no comments from the Board.

**14. CALL TO THE PUBLIC.**

No members of the public commented.

**ADJOURNMENT**

With no further business to come before the Authority, the Regular Meeting adjourned at 11:11 a.m.

  

---