

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

Date: December 10, 2024, 9:30 a.m.

Place: GoToMeeting – virtually

Presiding: Rebecca Burnham

Present: Rebecca Burnham, Lisa A. James, Ronald J. Castro, Jr., Jeremy Stawiecki, and Leah Landrum Taylor

Absent: Vanessa Valenzuela Erickson, Freddie Bracamonte, Jeffrey A. Schwartz, and Jose Martinez

Executive Director: Shelby L. Scharbach

General Counsel: Julie Arvo MacKenzie

Special Counsel: Brigitte Finley Green of Squire Patton Boggs

Administrators: Janis L. Larson, Mary Misic, and Adriana Taylor

Guests: Courtney LeVinus, Jean Dietrich, Michelle Hindman, Nick Reed, along with various others listed under each respective bond project.

Ms. Burnham called the Regular Meeting of the Board of Directors to order at 9:33 a.m., noting the presence of a quorum.

**1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON NOVEMBER 12, 2024.**

On motion made by Mr. Castro and seconded by Ms. Landrum Taylor, the minutes of the November 12, 2024, Regular Meeting were approved as written.

**The motion passed unanimously (5-0).**

**2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$88,000,000 OF THE AUTHORITY'S SENIOR LIVING REVENUE BONDS FOR THE BENEFIT OF THE OSBORN SCOTTSDALE, LLC.**

The following people were present in support of this agenda item: Brigitte Finley Green of Squire Patton Boggs; Rob Leinbach of COGIR Management; Geoffrey Jacobs and Andrea Slezak of Aspirant Development, LLC; Ogieva Guobadia and MK Harris of D.A. DAVIDSON & CO.; and Tim Stratton of The Stratton Law Firm, PLLC.

Ms. Arvo MacKenzie provided a preliminary discussion regarding the four agenda items (2-5) that are being brought before the Board. She referenced that all four bond deals included a bond application, summary memo, and a preliminary approval resolution and reminded the Board that these matters are being brought forward for preliminary approval in order for the applicants to apply for volume cap on January 2, 2025.

Ms. Arvo MacKenzie also reminded the Board why certain projects require preliminary approval: securing volume cap approval from the Arizona Finance Authority and for reimbursement purposes.

In addition, each of the applicants will return to the Board seeking final approval later in the process when the bond financing documents are drafted and in substantially final form. At that time, the Maricopa County Board of Supervisors will also be requested to grant final approval.

Mr. Jacobs explained that the project is a 228-unit senior living facility, which will include active adult, independent/assisted living and memory care units. Mr. Jacobs added that they plan to start construction in January 2025 with the project being completed in late 2026.

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

RESOLVED to adopt the inducement Resolution in the form presented to the meeting preliminarily authorizing and approving the issuance of not to exceed \$88,000,000 of The Industrial Development Authority of the County of Maricopa Senior Living Revenue Bonds (The Osborn Scottsdale).

**The motion passed unanimously (5-0).**

**3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$35,000,000 OF THE AUTHORITY'S MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF CANOPY AT SUNDANCE II.**

The following people were present in support of this agenda item: Jon Finch of Kutak Rock LLP; Dan Duffus, Eric Graham, and Karl Watt of Blueprint; and Dan Piantanida of GP Realty Finance.

Mr. Graham reported that the project, a residential rental facility located on North Sundance Parkway, will feature approximately 178 build-to-rent units. He also mentioned that construction is already underway, and the project is expected to be completed by early third quarter of 2025.

Mr. Duffus then provided details and background on the various projects currently being developed by Blueprint.

Mr. Stawiecki inquired about the rental rates for the units. In response, Mr. Duffus stated that the market rate would be \$1,400 for a one-bedroom and approximately \$1,600 to \$1,700 for a two-bedroom, two-bath unit.

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

RESOLVED to adopt the inducement Resolution in the form presented to the meeting preliminarily authorizing and approving the issuance of not to exceed \$35,000,000 of The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Canopy at Sundance II).

**The motion passed unanimously (5-0).**

**4. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$45,000,000 OF THE AUTHORITY'S MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF MILLER MEADOWS APARTMENTS, LLC.**

The following people were present in support of this agenda item: Charles W. Lotzar of Lotzar Law Firm, P.C.; Griffin Hitzel of DevCo; and Faith Li Pettis and Jon Jurich of Pacifica Law Group.

Mr. Lotzar reported that this new construction project will provide 222 units generally located at South Miller Road, with tenants at or below 60% of the area median income. The rents of the units will range from \$1,156 to \$1,604. He further explained that the site

is in a “difficult to develop area” and therefore gets a boost with respect to the four percent tax credit. Additionally, the project will have multiple layers of financing.

Mr. Castro inquired whether, based on the sources and uses, it appeared that the Authority’s bonds are intended solely for construction, with a takeout of the bonds at the end of the project.

Mr. Lotzar confirmed that this is common in such transactions, especially when the yield curve is compressed.

Ms. Landrum Taylor expressed her satisfaction in hearing the range of rents for the units, noting that they are genuinely affordable.

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

RESOLVED to adopt the inducement Resolution in the form presented to the meeting preliminarily authorizing and approving the issuance of not to exceed \$45,000,000 of The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Miller Meadows Apartment Project).

**The motion passed unanimously (5-0).**

**5. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$30,000,000 OF THE AUTHORITY’S MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF RECKER GARDENS APARTMENTS, LLC.**

The following people were present in support of this agenda item: Charles W. Lotzar of Lotzar Law Firm, P.C.; Griffin Hitzel of DevCo; and Faith Li Pettis and Jon Jurich of Pacifica Law Group.

Mr. Lotzar reported that this new construction project will provide 132 units generally located at 6147 East Main Street, Mesa, with tenants at or below 60% of the area median income. The rents of the units will range from \$1,156 to \$1,789. He further explained that the site is in a “difficult to develop area” and therefore gets a boost with respect to the four percent tax credit.

After further discussion and upon motion made by Mr. Castro and seconded by Ms. Landrum Taylor, the following was adopted:

RESOLVED to adopt the inducement Resolution in the form presented to the meeting preliminarily authorizing and approving the issuance of not to exceed

\$30,000,000 of The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Recker Gardens Apartments Project).

**The motion passed unanimously (5-0).**

**6. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF AN AMENDMENT TO THE PRELIMINARY APPROVAL RESOLUTION FOR THE ISSUANCE AND SALE OF THE AUTHORITY'S MULTIFAMILY HOUSING REVENUE BONDS FOR THE DISTRICT AT LAVEEN APARTMENTS PROJECT.**

The following people were present in support of this agenda item: Charles W. Lotzar of Lotzar Law Firm, P.C.; Griffin Hitzel of DevCo; and Faith Li Pettis and Jon Jurich of Pacifica Law Group.

Mr. Lotzar reported that the costs of the project have increased and is requesting an increase of \$5,000,000 to the authorized principal amount of the bond financing (for a not to exceed total of \$55,000,000). Mr. Lotzar reminded the Board that the purpose of this amendment is to increase the amount of allocation with the Arizona Finance Authority for this project.

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

RESOLVED to adopt an amendment to the preliminary approval resolution in the form presented to the Board authorizing and approving not to exceed \$55,000,000 The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (District at Laveen Apartments Project), Series 2025.

**The motion passed unanimously (5-0).**

**7. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF AN AMENDMENT TO THE PRELIMINARY APPROVAL RESOLUTION FOR THE ISSUANCE AND SALE OF THE AUTHORITY'S MULTIFAMILY HOUSING REVENUE BONDS FOR THE RESIDENCES AT GRAND CANAL PROJECT.**

The following people were present in support of this agenda item: Charles W. Lotzar of Lotzar Law Firm, P.C.; Griffin Hitzel of DevCo; and Faith Li Pettis and Jon Jurich of Pacifica Law Group.

Mr. Lotzar reported that the costs of the project have increased and is requesting an increase of \$1,000,000 to the authorized principal amount of the bond financing (for a not to exceed total of \$26,000,000). Mr. Lotzar reminded the Board that the purpose of this

amendment is to increase the amount of allocation with the Arizona Finance Authority for this project.

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

RESOLVED to adopt an amendment to the preliminary approval resolution in the form presented to the Board authorizing and approving not to exceed \$26,000,000 The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Residences at Grand Canal Project), Series 2025.

**The motion passed unanimously (5-0).**

**8. REPORT FROM CLIFTONLARSONALLEN OF THE AUTHORITY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024.**

Jean Dietrich of CliftonLarsonAllen gave a report regarding the Authority's fiscal audit ending June 30, 2024, and noted the Authority received a clean unmodified opinion.

Ms. Dietrich referred to the audited financials and reported that the largest item to note is the Authority issued the single-family revenue bonds resulting in a \$2,000,000 contribution as well as \$2.6 million of restricted assets, used in connection with the various Series 2023 and 2024 single-family revenue bond issues. Overall, the Authority resulted in a net position of \$16,000,000 for the year ended June 30, 2024.

Ms. Dietrich also reported that the most notable difference of financial statements from year to year is the \$2.6 million of restricted assets that is available to cover capitalized interest, as needed, on the single-family revenue bonds.

Ms. Dietrich then referred to the Governance Communication letter, which outlines the required communication to the Board regarding the audit.

Ms. Burnham commented that due diligence had been completed to ensure compliance with the audit certification.

**9. LEGISLATIVE REPORT.**

Courtney LeVinus reported that the next legislative session will start January 13, 2025. She mentioned that the House has already put together their committees for 2025.

Ms. LeVinus reported that a group of stakeholders are advocating for the continuation and expansion of the State Low Income Housing Tax Credit Program. She noted that while there is support for the program in the House, there is limited backing in the Senate. She further stated that this item may be part of the budget negotiations.

Ms. LeVinus also reported that a new housing caucus will be established, with a primary focus on affordable housing. Representatives Carbone and Liguori are going to chair the caucus.

Ms. Burnham inquired on water constraint issues and their impact on housing development. Ms. LeVinus explained that single-family housing must comply with the 1980 Ground Water Management Act, which requires a 100-year assured water certificate. However, multifamily housing is not subject to this requirement. Both the legislature and the Governor's office are actively involved in addressing the issue.

**10. FINANCIAL REPORT.**

Ms. Scharbach referred to the financial statements for the period ended November 30, 2024, and reviewed the same. Ms. Scharbach reported that the Authority has a healthy net position.

Ms. Scharbach pointed out the trend for administrative fees is now to pay a one-time upfront fee, rather than semi-annual payments over the life of the bonds. She added that large one-time payments are expected in December and will be discussed at the next meeting.

Ms. Scharbach reported that our expenses are on track, and the Authority continues to maintain fiscal prudence.

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

Ms. Burnham referred to invoices previously distributed to the Board Members for the month ended November 30, 2024, and requested approval by the Board.

Mr. Castro moved to approve payment of the invoices as submitted for the month ended November 30, 2024. Mr. Stawiecki seconded the motion.

**The motion passed unanimously (5-0).**

**12. PRESIDENT'S REPORT.**

Ms. Burnham thanked the Authority's staff for their hard work and expressed appreciation to the Board for their attendance, engagement and thoughtful questions.

**13. EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach informed the Board that this would be Administrator Janis Larson's last meeting, as she is retiring after nearly 35 years of service with the Authority. Ms. Scharbach presented Ms. Larson with a gift from the Authority.

Ms. Burnham expressed her appreciation for Ms. Larson's dedication and hard work over the years.

**14. LEGAL COUNSEL REPORT.**

Ms. Arvo MacKenzie provided an overview regarding the process of affordable multifamily housing. She explained that borrowers use a combination of Low-Income Housing Tax Credits and tax-exempt revenue bonds in order to secure equity for their projects. To qualify for tax exempt bonds, borrowers are required to follow the Tax Code, which includes requirements for volume cap and housing affordability. To meet the affordability requirement, borrowers must set aside 40% of their units to tenants at or below 60% of the area median income. This requirement is recorded through a Regulatory Agreement and is put in place for a set number of years.

Ms. Arvo MacKenzie also reported that the Authority updated their bond financing application, and it is now available on the Authority's website.

Ms. Arvo MacKenzie indicated that the Home in Five Platinum program will re-start in the first quarter of 2025. The Authority will also be required to secure volume cap in order to continue issuing tax-exempt single-family revenue bonds.

**15. COMMENTS FROM BOARD MEMBERS.**

Ms. Finley Green commented on the demand for Arizona 2025 volume cap and the estimated number of applications for multifamily housing projects.

**16. 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 10:29 a.m.

  
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