Meeting Minutes

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING

Location: In-Person Meeting at Regus
2025 N. 3rd Street, Suite B300, Room 336, Phoenix, Arizona 85004

Date and Time: Thursday, June 18, 2026
3:00 p.m.

Board Members Present (Appearing in Person):
Ken Burns
Robin Romano

Board Members Present (Appearing via Zoom/Telephonically):
David Castillo

Board Members Absent:
Marcel Dabdoub (with prior notice)
Andre Whittington (with prior notice)

Staff Present (Appearing in Person):
Dirk Swift, Executive Director
Dan Dialessi, Chief Financial Officer
Carson Folk, Conduit Bond Business Development Officer
Pat Ray, Conduit Bond Program Manager
Sierra Belisle, Kutak Rock LLP, Legal Counsel

Staff Present (Appearing via Zoom/Telephonically):
Christian Hernandez, Single Family Homeownership Business Development Officer
Deaun Hampton, Operations and Administrative Coordinator
Dongyan Jones, Accountant

Meeting Facilitator (Appearing in Person):
Kelly McGuire, Kutak Rock LLP

Presenters (Appearing in Person):
Jacob Berger, Dominium Inc.

Presenters (Appearing via Zoom/Telephonically):
Austin Kates, NRP Group
Fred Williams, Barnes & Thornburg

Actions:

1. **<u>Call to Order:</u>**

The meeting was called to order by Robin Romano, President of the Board of the Arizona Industrial Development Authority ("AZIDA"), at 3:02 p.m. Board members Ken Burns and Robin Romano attended in person. Board member David Castillo attended via Zoom. Roll was called by Kelly McGuire, as meeting facilitator. Marcel Dabdoub and Andre Whittington were noted as absent, having previously informed Ms. Romano that they would be unable to attend. A quorum was declared present. Ms. Romano asked the Board members if they had any conflicts related to the items on the agenda. No Board member declared a conflict.

2. **<u>Agenda Items Considered:</u>**

<u>Presentation, Discussion & Adoption</u>
Approval of Resolution No. 2026-22 – Presentation, Discussion and Board Action on a Resolution repealing Resolution 2026-14 and granting final approval of the issuance of not-to-exceed $13,000,000 of Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured), Series 2026 (Southgate-Canterbury House Project), for the benefit of Canterbury House – Southgate, L.P.

Ms. McGuire explained the resolution being considered repeals the final approval resolution adopted at the May 21 meeting for the Canterbury House project in Southgate, Kentucky. A change to the financing structure requires a different set of Fannie Mae form documents to be used. The originally approved documents are no longer accurate, and substantially final documents using the new forms have been submitted. All other aspects of the project are the same.

Ms. McGuire noted that a representative of the developer was not present and asked if the Board was comfortable considering the project.

Ms. Romano confirmed that the Board has done this for amendments to forms, and Mr. Castillo added that the Board understood the request was merely for a technical amendment.

Board member **David Castillo** then motioned to approve Resolution No. 2026-22, as presented. Board member **Ken Burns** seconded the motion.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed.

<u>Presentation, Discussion & Adoption</u>
Approval of Resolution No. 2026-23 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance of not-to-exceed $36,000,000 of Multifamily Housing Revenue Bonds (Casa Grande Commons Project) and authorizing participation in the Authority's multifamily housing bond recycling program, for the benefit of CG Commons LLC.

Austin Kates of NRP Group ("NRP") shared that NRP is seeking final approval for not-to-exceed $36,000,000 to finance a 336-unit, 4% low-income housing tax credit ("LIHTC")

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project to be constructed in Casa Grande. The property is to be comprised of one-, two-, three-, and four-bedroom units and in an area of Casa Grande that has not seen any rental housing built. From a geographical standpoint, the project is located in an area that will offer a "live-work-play" experience with walkability to movie theaters, shopping and restaurants.

Ms. Romano asked if the decreased not-to-exceed amount [from the preliminary approval request of not-to-exceed $51,000,000] was due to the new rules for volume cap and the way it is structured now that the 50% Test is the 25% Test.

Ms. McGuire agreed that was correct and explained that we might also see a reduction in the requested not-to-exceed amount just because the numbers have been refined. At the preliminary stage, developers often add a lot of buffer to the not-to-exceed number. By the time they are ready to use volume cap, if awarded, they have more reliable numbers on hand and only use the amount needed to safely meet the 25% Test.

Mr. Kates said he believes that is correct and noted the inducement resolution was approved in 2024 when the 50% Test was applicable.

Ms. Romano said NRP actually benefitted from the change in law and added it's nice to see a better result. She remembers the project and agrees it is in a great location.

Board member **David Castillo** then motioned to approve Resolution No. 2026-23, as presented. Board member **Ken Burns** seconded the motion.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-24 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance of not-to-exceed $20,000,000 of Multifamily Housing Mortgage Revenue Notes (Palmera Apartments Project) and authorizing participation in the Authority's multifamily housing bond recycling program, for the benefit of Palmera Apartments, LP.

Ms. McGuire shared the Board had previously seen this project referred to under the name, The Sands. Kamaka, the developer is now using Palmera Apartments as the name and the resolution grants final approval to the issuance of not-to-exceed $20,000,000 notes and authorizes participation in the bond recycling program. She noted a representative of Kamaka was not present and asked if the Board wanted to table the project or was willing to proceed.

Ms. Romano said she remembered the project, particularly that it is a rehabilitation project in Mesa. The project also seems to benefit from the lower 25% test and the award of volume cap, so it's another win. She added that for this project, she does not have a problem voting for final approval even without a developer representative present, since the Board has heard from them before, and confirmed that the other Board members were also comfortable moving forward.

Mr. Burns said he thinks it is an awesome project and does not need to hear about it again. He also likes that it is another project that plans to use recycled cap.

Mr. Castillo agreed.

Ms. Romano agreed and was happy Kamaka was awarded the volume cap needed to accomplish the project.

Board member **Ken Burns** then motioned to approve Resolution No. 2026-24, as presented. Board member **David Castillo** seconded the motion.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-25 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance of not-to-exceed $10,000,000 of Senior Multifamily Housing Revenue Bonds (Sidney Village Project) for the benefit of Buckeye Leased Housing Associates IV, LLLP.

Jacob Berger of Dominium Inc. ("Dominium") refreshed the Board's recollection as to the details of the previously approved Sidney Village Project. It is a 200-unit project located in Buckeye off the corner of Yuma Road and Apache Road. The project is comprised of 100 three-bedroom and 100 four-bedroom units set aside for families earning at or below 60% area median income. The original $51,000,000 bonds issued to finance the project were approved by the Board in November 2024, and the transaction closed around this time last year. Dominium is now seeking final approval for a supplemental issuance of bonds in the amount of $10,000,000 to meet the 50% Test (to be eligible for 4% low-income housing tax credits).

Ms. McGuire added that under the tax rules, the project is still required to meet the 50% Test, even though starting in 2026 the law changed to a 25% Test, and the initial issuance does not get them there now.

Ms. Romano asked if Sidney Village was a senior project.

Mr. Berger replied that it is for families.

Ms. McGuire clarified that the bond caption refers to the bonds as "senior bonds" because they are secured on parity with the senior bonds AZIDA issued for the project last year.

Board member **David Castillo** then motioned to approve Resolution No. 2026-25, as presented. Board member **Ken Burns** seconded the motion.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-26 – Presentation, Discussion and Board Action on a Resolution granting preliminary approval of not-to-exceed $25,400,000 of revenue bonds, notes or other obligations to be issued in one or more tax-exempt and/or taxable series, to

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finance an assisted living and memory care facility in Peoria, Arizona, for the benefit of a New Covenant Senior Living Inc., on behalf of AFSL-P1 Real Estate, LLC.

Fred Williams of Barnes & Thornburg, bond counsel for the transaction, explained the project is the acquisition, improvement and rehabilitation of a senior living, assisted living and memory care facility that has struggled somewhat in the past due to poor management. A new management team has been installed. Mr. Williams noted there is a plan for a second phase to construct a new senior living facility on about 7 acres of land adjacent to the project being acquired. He added that because it is a 501(c)(3) project, there is no need for volume cap.

Ms. Romano said the Board appreciates that and, unfortunately, more senior centers and memory care centers are needed. It's nice to see a combination of acquisition and rehabilitation of a project. She noted it's the best of both worlds with the planned new construction project, and with the location next to a CVS pharmacy, that is very convenient. It looks like a solid project.

Mr. Burns said it definitely looks like a much-needed project in that part of town.

Board member **Ken Burns** then motioned to approve Resolution No. 2026-26, as presented. Board member **David Castillo** seconded the motion.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed.

3. **Discussion and Approval of Fiscal Year 2027 Expense Projections and Authorization of Transfers Required by A.R.S. 35-751(C)**

Dirk Swift, Executive Director, presented the fiscal year 2027 expense projections and noted the information is presented in the same format used for the last quarterly update, as it was well received. The numbers are updated to reflect results through the end of May, so the presentation includes 11/12ths of the actual dollar amounts for the respective categories. Currently, we're just under $2.3 million in actual expenses and expect to be just over $2.4 million by the end of the fiscal year.

The overall encumbrance amount requested for fiscal year 2027 is just about the same as last year, though after staff's review of the figures year-over-year, amounts have been moved into different categories, with a lot of changes as the result of a significant increase in business development. So, you'll see not really an increase in the total encumbrance amount, but the buckets might have changed. First, operationally, all expenses are paid out of the Wells Fargo account, the conduit bond account, even if they might be DPA-allocated expenses. Expenses are attributed to staff based on an estimated percentage of time each person spends on the functions required for each business channel. Once those are broken down, Mr. Dialessi calculates the amount that is "owed" back to Wells Fargo – that way we keep the revenues and expenses for each business line as separate as possible. As of today, we show $381,000 coming from the TBA account and going into the Wells account to "pay back" what the conduit bond channel had paid toward TBA expenses. There are also some conduit bond side funds sitting in the Marisol Credit Union account which have been transferred into the TBA account because we're a little light there. The goal is to maintain business channel integrity as much as possible. The final amount in the encumbrances section is payment for the cost of issuance on the MRB [single family mortgage revenue bond program]. That money came out of the Zions account and was transferred into the specific MRB-related Zions account. All of these accounts we want to show you, but we do not have access to the money. The Ellington 2001 line and all the other locked down MRB accounts we don't have access to, and those numbers are what they are. As you may recall, a few years ago we sold some DPA assets to Ellington and we sub-service them ourselves because U.S. Bank will not deal with them directly. So, when we get a payoff on one of the sold loans, it is deposited to a special account because it's Ellington's money. On the conduit bond side, you'll see we're at $4.6 million in revenues, with an expected transfer to OEO of around $2.4 million after encumbrances, which include some reserves to account for the costs and unpredictable timing of the volume cap allocation process. Mr. Swift then called out a scrivener's error in the presentation materials – the reference to "Economic Opportunity Fund" should be to "Economic Development Fund" – which will be corrected. Mr. Swift continued, directing the Board back to the numbers, noting that through May 31st, AZIDA is expecting to transfer just over $2.5 million into the Economic Development Fund. AZIDA is "short" on the TBA side [the revenue category that would be required by statute to be sent to the Housing Trust Fund], so AZIDA will not be sending any money to the Housing Trust Fund this year.

Mr. Swift then shared that he'd received a suggestion to alter the transfer calculation process for this year. The proposal is for AZIDA to make the required transfer as late in the month as possible so at least some of the fees received from late June closings will be captured in the final calculations. He also reminded the Board that it has been very difficult to project the timing of closings this year with several unexpected volume cap relinquishments and then new awards from the April lottery allocations. Considering how quickly things have been changing, Mr. Swift appreciates and understands the suggestion to push back the timing of the final calculations. Therefore, the process proposed for this year, as the Board saw in the meeting materials, is a request that the Board approve the fiscal year 2027 encumbrances and then approve the sweep process. The sweep process would work like this: at the close of business on Thursday, June 25th, staff will note the balances in the Wells Fargo and Zions accounts as of that day, deduct approved encumbrances, and then initiate the sweep on June 26th. So, the ask, unless there are other questions, is to reserve $2.4 million for operating expenses for next year, which is similar to this year, and to authorize staff to determine the transfer amount after the Board meeting in accordance with the process described. Typically, to ensure the transfer is received by OEO by June 30, the calculation is done mid-month, and the Board is informed of the total at the June Board meeting. This time, the calculation will be made after the Board meeting, so making sure there's transparency into the process seemed like a good idea.

Ms. Romano said she had no questions and likes the new format.

Mr. Burns agreed.

Ms. Romano asked if there needs to be a motion for approval to allow Mr. Swift to make the transfer.

Mr. Swift deferred to legal counsel.

Ms. McGuire noted that, technically, under the statute the transfers are required to be made no matter what.

Ms. Romano acknowledged there is no Board discretion on making the transfer.

Mr. Swift emphasized that it is the process and timing of the calculation that is being authorized.

Ms. Romano confirmed that it's an operational issue because no one can know which deals will actually close until the end of the month.

Mr. Burns asked if this is an action item on the agenda.

Ms. McGuire confirmed it is on the agenda as an action item, and the motion "script" language is written generally since she didn't know how the discussion would go.

Ms. Romano thought the process was logical since there is no way to know what's going to happen over the next week.

Mr. Burns agreed. Mr. Swift has added some more transparency, which he appreciated, and the resolution formalizes it.

Ms. Romano offered to entertain a motion.

Mr. Castillo asked if the motion language is the same used in previous years.

Ms. Romano thought it was.

Mr. Swift clarified that the timing of the calculation is the only difference. For the last two to three years, AZIDA has gone through this process for Board approval of the encumbrances at each June meeting. Again, to make sure the transfers were received before the June 30 transfer deadline, last year, AZIDA had already calculated the sweep and anything that came in over the two weeks after the Board meeting carried into the next fiscal year. The difference this year is just the Board's authorization to calculate the sweep 10 more days into the future, but everything else is similar to last year.

Board member **David Castillo** moved to approve the Fiscal Year 2027 expense projections as discussed and to authorize the transfer of funds required by statute. Board member **Ken Burns** seconded the motion.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed.

4. **<u>Presentation and Discussion; No Board Action – Executive Director's Report</u>**

Mr. Swift reminded the Board there were questions at the May meeting about the build-to-rent product and the pending legislation that was affecting several of AZIDA's developer clients. The legislation was revised so that it does not negatively affect developers – the original proposal would have required divestment of the properties in seven years – and has passed. All unintended consequences and delays have been cleared, and any projects that were stalled can move forward.

5. **<u>Adoption of Minutes of the May 21, 2026, AZIDA Regular Board Meeting</u>**

Board member **Ken Burns** moved to adopt the minutes of the May 21, 2026, AZIDA regular board meeting. Board member **David Castillo** seconded the motion.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed.

6. **<u>Call to the Public</u>**

Ms. Romano announced a call to the public for comments.

No members of the public appeared in person or by Zoom/telephone to comment.

7. **<u>Announcements</u>**

Mr. Swift noted that because of the July 4th holiday being celebrated on July 3rd, the Board may want to move the July meeting from the 16th to July 23rd.

Mr. Castillo has a conflict and is not available on July 23rd.

Mr. Swift added that the meeting could also be moved to another agreed upon date to ensure a quorum.

Ms. Romano noted she could make July 23rd work but didn't know of Mr. Dabdoub's or Mr. Whittington's availability.

Mr. Burns indicated July 23rd would work for him.

Ms. Romano thought at least one of Mr. Dabdoub or Mr. Whittington would be able to attend and announced that the next regular meeting of the Arizona Industrial Development Authority would be held via Zoom only on Thursday, July 23, 2026, at 3:00 p.m., but advised the public to consult the AZIDA website for any changes to meeting details.

8. **<u>Adjournment</u>**

Board member **David Castillo** motioned for adjournment of the AZIDA Board meeting at 3:31 p.m. Board member **Ken Burns** seconded.

By a vote of 3 ayes, 0 opposed and 0 abstentions, the motion passed, and the meeting was adjourned.

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Approval: The undersigned hereby certifies that the Board of Directors of the Arizona Industrial Development Authority formally adopted these Minutes on the date shown below.

Dirk Swift, Executive Director	July 23, 2026 Date of Board Action