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, October 22, 2026
3:00 p.m.

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

Board Members Present (Appearing via Zoom/Telephonically):
Marcel Dabdoub
Andre Whittington

Board Members Absent:
David Castillo (with prior notice)

Staff Present (Appearing in Person):
Dirk Swift, Executive Director
Carson Folk, Conduit Bond Business Development Officer
Dan Dialessi, Chief Financial Officer

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

Professionals/Advisers (Appearing in Person):
Sierra Belisle, Kutak Rock, LLP, Legal Counsel
Pat Ray, Cathedral Rock Issuer Services, LLC

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

Presenters (Appearing via Zoom/Telephonically):
Todd Wade, Pan-American Charter School
Brigitte Finley Green, Squire Patton Boggs (US), LP
Jackson Sheppard, Kamaka Affordable Housing, LLC
Cole Froemming, Lincoln Avenue Communities
Brian Holman, Empower College Prep
Katie McMillan, GreatHearts Arizona
Anand Kesavan, Equitable School Revolving Fund

Jason Rastegar, The Wolff Company
Nicole Colyer, The Wolff Company
Paul Buckland, City Development Partners

Actions:

1. **Call to Order:**

The meeting was called to order by Robin Romano, President of the Board of the Arizona Industrial Development Authority ("AZIDA"), at 3:00 p.m. Board members Ken Burns and Robin Romano attended in person. Board members Marcel Dabdoub and Andre Whittington attended via Zoom. Roll was called by Kelly McGuire, as meeting facilitator. David Castillo was noted as absent. Mr. Castillo previously informed Ms. Romano that he 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. **Agenda Item Considered:**

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-39 – Presentation, Discussion and Board Action on a Resolution authorizing the execution and delivery of a First Supplemental Indenture of Trust and a First Amendment to Loan Agreement relating to the $31,695,000 Education Revenue Bonds (Pan American Charter School Project), Series 2019A and Series 2019B (Federally Taxable), originally issued July 25, 2019, for the benefit of Pan-American Elementary Charter School dba Pan American Charter School.

Todd Wade, the executive director of Pan-American Charter School ("Pan American"), and Brigitte Finley Green, of Squire Patton Boggs (US), LP (bond counsel), addressed the Board. Mr. Wade reminded the Board that AZIDA issued bonds for the benefit of Pan American in 2019 to finance a new 97,000 square foot campus serving grades K-12 at 83rd Avenue and Thomas Road in Phoenix. Since then, Pan American has graduated about five cohorts of high schoolers, and last year's graduation rate was 98%. The new facilities helped Pan American increase student capacity and also allowed it to implement programmatic developments such as the National School Lunch Program. Pan American currently serves about 500 breakfasts every morning and provides lunch to approximately 1,100 students daily. The bonds also allowed Pan American to build a cafeteria, a gym, and a soccer facility and our teams have won several soccer championships. Currently, Pan American's student count is at 95% capacity. When the 2019 bonds were issued, Pan American had three campuses. The intent was to develop another elementary school with some wraparound services including nonprofit legal services, parent education and other similar services. In today's climate, enrollment is solid and strong, however, when looking at the demographics, Pan American is not seeing a lot of growth right now. With inflation and other economic considerations, Pan American has determined it would be best to sell one of its properties to secure its current financial position. Obtaining the bondholder's consent to the sale requires amendments to the bond documents, and

approval of those amendments are what is being requested today. Mr. Wade thanked AZIDA for allowing Pan American to finance the current property.

Ms. Finley Green explained the original campus consolidated three campuses at 2020, 2100 and 3001 West Indian School Road. Though they had grown slowly over time, the facilities were very disjointed and Pan American could not offer the full range of facilities for all of their students. They had already anticipated selling one of the buildings when the 2019 bonds were originally issued. Now it is 2026, and Pan American has not yet sold the building they expected to sell. That building was financed with a taxable portion of the 2019 bonds, but they now have an opportunity to sell the 2020 building to another charter school looking to expand in the area. When Pan American came to bond counsel and the bondholder representative to request permission to sell and amend the documents to remove that campus off of the list of facilities, the bondholder representative, which had shifted in the intervening time, requested additional amendments to the documents, including adding an operating reserve fund and documenting the financial covenants. Previously, Pan American was only required to report the financial covenants and maintain covenants required by the Charter School Board. The document amendments will include additional covenants required by the bondholder representative. Current versions of issuer authorizing resolutions typically include authorization for future document amendments, however, in 2019 those types of clauses were not included, so Pan American is back to the Board to request approvals of the amendments.

Ms. Romano commented that made sense.

Mr. Dabdoub noted that the original financing five years ago allowed Pan American to expand its capacity to 1,100 students. He asked what impact selling this property would have.

Mr. Wade replied that the maximum capacity Pan American is allowed to serve is 1,300 students, and current capacity is approximately 1,120 students. The funds from the sale of the property would be used to create a reserve account and then redeem about $1.6 million in bonds. Anything left will be used to pay off debt service over the next 12 months.

Ms. Finley Green added that an additional approximately $1.2 million of the state revenues for the next year would be going into the operating account rather than paying directly to debt service, so it will increase their cash position by the end of next year.

Mr. Dabdoub asked if this impacts or reduces student capacity.

Mr. Wade responded it would not and it will help support the current programming at current levels.

Ms. Romano noted that was a great question.

Ms. Finley Green added Pan American has a brand new campus that is now fully serviceable for K-12 rather than the three disjointed properties that were not contiguous

and did not have playgrounds, a soccer field and all of the things that they can now offer to their high schoolers.

Board member **Marcel Dabdoub** then motioned to approve Resolution No. 2026-39, as presented. Board member **Ken Burns** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Ms. McGuire noted the next two agenda items are supplemental issuances to transactions that closed in June and September and are using recycled volume cap.

Ms. Romano asked if they are the first recycled volume cap transactions.

Mr. Folk that the next one to close would be the second or third transaction. Some recycled cap users did not need to do separate supplemental issuances because the timing worked out that they utilized the recycled volume cap at the same time as they closed the bonds using their "fresh" volume cap. Some close all at the same time and some structures require supplemental issues.

Ms. Romano then noted the next item being considered is the first bond issuance using only recycled volume cap – no fresh volume cap.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-40 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance of not-to-exceed $7,000,000 of Multifamily Housing Mortgage Revenue Notes (Palmera Apartments Project), in one or more tax-exempt and/or taxable series, for the benefit of Palmera Apartments, LP.

Jackson Sheppard of Kamaka Affordable Housing, LLC ("Kamaka") shared that given the current environment, Kamaka is excited to close the supplemental transaction and be one of the first users of recycled volume cap. Mr. Sheppard said he could not speak highly enough of Mr. Folk and noted that the recycled volume cap program is a significant boon to projects, in that banks lower their spreads and basically split the tax-exempt benefit. He added Kamaka plans to close within the next week, and they are excited to bring more workforce housing to Mesa.

Ms. Romano shared that she lives in Mesa and is also excited Kamaka is bringing more workforce housing to Mesa.

Mr. Dabdoub noted the average square footage on the units is about 680 square feet and asked if that is mostly one-bedroom units.

Mr. Sheppard responded that about half of the units have one bedroom, noting that the units tend to be smaller due to the age of the property.

Board member **Ken Burns** then motioned to approve Resolution No. 2026-40, as presented. Board member **Marcel Dabdoub** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-41 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance not-to-exceed $23,000,000 of Multifamily Housing Revenue Bonds (Estrella Villas Project), and Multifamily Housing Revenue Note (Estrella Villas Project), each in one or more tax-exempt and/or taxable series, for the benefit of Estrella Villas, L.P.

Cole Froemming of Lincoln Avenue Communities ('LAC") reminded the Board the Estrella Villas project is a 4% low-income housing tax credit, 100% affordable transaction in southwest Phoenix, near the Sunset Farms neighborhood, just off 107th Avenue and Broadway Road. The initial transaction closed in September, and construction is now underway and going smoothly. LAC is back for approval of a supplemental issuance using recycled volume cap generated from the paydown of a previous LAC transaction, Cottonwood Ranch in Casa Grande. The recycled volume cap will lower the cost of capital and greatly benefit the Estrella Villa project's feasibility and allow it to serve residents for many years to come.

Ms. Romano said she specifically remembers the project because LAC had so many letters of support from many different places.

Board member **Andre Whittington** then motioned to approve Resolution No. 2026-40, as presented. Board member **Marcel Dabdoub** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-42 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance of not-to-exceed $50,000,000 of Education Facility Revenue and Refunding Bonds (Empower College Prep Project), Series 2026, for the benefit of Empower College Prep.

Brian Holman, the founder and executive director of Empower College Prep ("Empower") addressed the Board. Empower currently operates a values-based K-12 charter school located near I-17 and Camelback Road serving approximately 1,100 students. The funds from bonds issued by AZIDA in 2019 were used to build out that campus. Empower received approval by the Arizona State Board for Charter Schools ("ASBCS") in 2025 to open a new high school in Maryvale. Mr. Holman shared that Empower consistently empowers the state's largest disadvantaged population, Hispanic students from low-income communities, to exceed the set average for sending graduates to college and to complete post-high school degrees and certificates. Last year, Empower sent 90% of its graduates to either university, community college or trade school and they want to replicate those results in Maryvale. The new 44,000 square foot high school campus will be located on 75th Avenue, south of Thomas Road. Empower is focusing on high school because of the large number of elementary schools in the area and relatively fewer choices families have for high school. The price for the acquisition of land and

renovation of the current medical office building is estimated to be about $20 million. If Empower were to refund or refinance the existing 2019 bonds, that would put the borrowing amount up closer to the requested not-to-exceed amount. If they do not refund or refinance the 2019 bonds, and the current market is leaning against that, the cost to acquire the land, renovate the building and secure funds for financial costs would be approximately $25 million. Mr. Holman explained Empower has been working closely with Partner Capital Advisors, Kutak Rock and Robert W. Baird & Co., Inc. to develop financials to assure Empower is able to keep performance above the debt service coverage ratios and other financial covenants for the duration the bond debt is outstanding. He then offered to answer questions.

Ms. Romano commented that she read through the application and there is a definite need for a high school in that particular area that would help lower class sizes in other high schools. She commended Mr. Holman for the good presentation and noted Empower has strong letters of support for the project.

Board member **Marcel Dabdoub** then motioned to approve Resolution No. 2026-42, as presented. Board member **Ken Burns** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-43 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance of not-to-exceed $28,000,000 of Education Revenue Bonds (GreatHearts Arizona Blossom Rock Project), Series 2026, in one or more tax-exempt and/or taxable series, for the benefit of GreatHearts Arizona (formerly known as Great Hearts Academies).

Katie McMillan, the chief financial officer of GreatHearts Arizona provided a brief overview of the Blossom Rock project to the Board. GreatHearts Arizona is one of Arizona's largest and highest performing public charter school networks, serving approximately 15,700 students across soon to be 22 schools with approximately 1,700 team members. GreatHearts has a high demand for its offering with about 3,500 students on a wait list. As GreatHearts continues to grow, they remain focused on thoughtfully adding high-quality seats in communities where families are seeking access to a GreatHearts education. Ms. McMillan noted GreatHearts' growth has been accompanied by really strong academic results. Great Hearts earned an "A" rating from the state and remains one of the highest performing public charter school networks in Arizona. GreatHearts graduates outperform national averages on college entrance exams, and they continue to demonstrate outstanding college-going and scholarship outcomes. These results reflect the strength of that educational model and the value that families place on a GreatHearts education. Ms. McMillan explained that the proposed financing will support construction of the new Blossom Rock campus in Apache Junction. The $20 million project includes a new 61,000 square foot academic facility with classrooms, student services space, a gymnasium, multipurpose room, athletic facilities, and all of the supporting infrastructure. Once completed, the campus will serve up to 840 K-8 students. (Ms. McMillan presented a map showing the location of the Blossom Rock campus as

well as the broader network of GreatHearts schools across Arizona.) The Blossom Rock campus is in a rapidly growing area where GreatHearts continues to see a significant demand from families. The project is currently under construction and GreatHearts expects the facilities to be ready around May of 2027. Assuming approval today, GreatHearts expects to have an S&P rating shortly and plans to post the offering document in early November, price the bonds November 17th and close the transaction on December 2nd. Ms. McMillan expressed appreciation for AZIDA's partnership in moving through this process.

Mr. Dabdoub noted this is an ambitious project.

Ms. Romano agreed and thanked Ms. McMillan for the detailed presentation.

Board member **Andre Whittington** then motioned to approve Resolution No. 2026-43, as presented. Board member **Marcel Dabdoub** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-44 – Presentation, Discussion and Board Action on a Resolution granting final approval of the issuance of not-to-exceed $350,000,000 of Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2026B, in one or more tax-exempt and/or taxable series, for the benefit of Equitable School Revolving Fund, LLC.

Anand Kesavan of Equitable School Revolving Fund ("ESRF") started by thanking the Board for its partnership over the past almost 10 years. ESRF's first issuance through AZIDA was in 2019 and, to date, ESRF's loan program has been the beneficiary of approximately $1.2 billion in bonds, with zero loan defaults.

Ms. Romano commented ESRF should be proud of the zero defaults.

Mr. Kesavan continued by sharing that ESRF has financed 280 campuses across the country and saved schools almost $400 million through lower cost financing. The program is working super well and ESRF is still spending some of the money raised in the bond issue that closed earlier this year. The proceeds of the $275 million 2026A transaction will be entirely spent in the next few months. ESRF is hoping to have around $200 to $250 million of bonds issued in December to fund a handful of loans in the first half of 2027. Mr. Kesavan then highlighted ESRF's academic results. He explained that one of things unique about ESRF's investment philosophy is they look for schools that specifically outperform the district and other charter schools in a particular area using a metric they call "similar schools metric," which measures how children of a demographic would perform at ESRF schools compared to the area school they would otherwise attend. ESRF schools are known to significantly outperform academically and that is one of the things they look at very carefully when evaluating eligible school borrowers. Mr. Kesavan reminded the Board that ESRF had received a rating upgrade to A+ from S&P in January, around the time AZIDA approved the 2026A transaction. That upgrade is a reflection of ESRF's very strong overall financial portfolio. ESRF is planning to obtain

another rating from S&P before the 2026B bonds are issued and are expecting it to be an A+ as well.

Ms. Romano congratulated ESRF on the upgrade and said she remembers their presentation from January.

Mr. Burns said that he noticed the GreatHearts project the Board just approved was listed among the potential borrower schools for the ESRF 2026B project. He asked how ESRF works in tandem with GreatHearts.

Mr. Kesavan explained that GreatHearts was one of the 100 plus projects ESRF looked at over the last year. The application and TEFRA notice included all schools that were at one time in the pipeline. He explained that, for one reason or another, GreatHearts is doing a bond deal directly and not through ESRF, and that happens periodically.

Mr. Dabdoub asked how ESRF directly participates with the charter schools.

Mr. Kesavan explained there are two sides to ESRF's business. One side brings in capital and raises philanthropy. ESRF has raised more than $500 million in philanthropy funds. That money is put into a pot and is matched with bond dollars issued through AZIDA and other state conduits, but mostly AZIDA. ESRF has a whole lending team of about 30 people who work directly with schools. Most of the high-quality schools in the country are familiar with ESRF so they initiate contact and go through ESRF's intake platform to apply for financing for a project. The application process takes about 6 to 12 months. ESRF performs due diligence and visits the schools and spends a lot of time with them to make sure a school can afford the project. If a school's application is approved, ESRF then makes a direct loan to the school. The schools repays the loan back over time and ESRF uses those repayments to pay back the bondholders.

Mr. Dabdoub asked if ESRF has a capital campaign every year to replenish the matching funds.

Mr. Kesavan responded that ESRF has raised about $500 million but doesn't tend to spend it down. That money is all loaned out to schools, so the money comes back to ESRF.

Mr. Dabdoub asked if the average cost of financing between the bonds and the portion that is loaned out is matched up with the cost of financing or does it bring down the cost of financing or does ESRF just pass through the same rate as the rate on the related bonds.

Mr. Kesavan said that if a typical school were to issue bonds on a standalone basis, they would have to pay about index plus 250 basis points (bps) on that debt. Typically, ESRF prices their loans at index plus 80 to 100 bps, which is where the savings comes in. ESRF gets that lower rate in the market because it has a high credit rating. If, for instance, ESRF was able to get plus 70 bps in the market, it would then price loans at plus 90 or 100 bps to put their administrative cost about 20 to 30 basis points.

Mr. Dabdoub said that was interesting and thanked Mr. Kesavan for the explanation.

Board member **Ken Burns** then motioned to approve Resolution No. 2026-44, as presented. Board member **Marcel Dabdoub** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-45 – Presentation, Discussion and Board Action on a Resolution granting preliminary approval of not-to-exceed $85,000,000 of multifamily housing revenue bonds, notes or other obligations to be issued in one or more tax-exempt and/or taxable series, to finance a multifamily qualified residential rental project in Avondale, Arizona, for the benefit of a tax credit limited liability company or partnership to be formed by The Wolff Company, LLC.

Jason Rastegar of The Wolff Company ("TWC") thanked the Board and AZIDA staff for its guidance and support through the application process for TWC's affordable housing project in Avondale. The proposed project is located at the southwest corner of 99th Avenue and Indian School Road and will consist of approximately 300 apartment units with a mix of one, two, and three bedrooms, serving households at 60% of the area median income. Mr. Rastegar added TWC is extremely excited about this opportunity and believes the project will add much needed housing to the community. He then offered to answer questions.

Ms. Romano commented that the price per unit was really good and added that she and Mr. Dabdoub pay particular attention to price.

Mr. Dabdoub noted there were no sizing numbers provided, but since this is a preliminary approval, he knows there will be more details for final approval.

Mr. Rastegar acknowledged that information would be available at final approval.

Board member **Marcel Dabdoub** then motioned to approve Resolution No. 2026-45, as presented. Board member **Ken Burns** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption
Approval of Resolution No. 2026-46 – Presentation, Discussion and Board Action on a Resolution granting preliminary approval of not-to-exceed $8,500,000 of multifamily housing revenue bonds, notes or other obligations to be issued in one or more tax-exempt and/or taxable series, to finance multifamily qualified residential rental projects in Benson, Huachuca City, Safford, and Willcox, Arizona, for the benefit of a tax credit limited liability company or partnership to be formed by City Development Partners LLC and Sunset Development Partners, LLC.

Paul Buckland of City Development Partners ("CDP") addressed the Board. CDP is requesting tax-exempt bond financing for four USDA RD 515 communities located in

rural southeast Arizona, which CDP plans to acquire and rehabilitate in order to preserve the affordability of the four communities. Mr. Buckland shared that he has over 25 years of experience in the affordable housing space with extensive experience preserving existing affordable communities across the United States, including in the state of Arizona, using tax-exempt bonds and 4% tax credits. His co-development partner, Karen Buckland, has extensive experience in closing USDA 515 transactions, having worked at Community Preservation Partners, a development arm of WNC and Associates, for the last 20 years. Within the last six months, the development team successfully closed a portfolio project in another state with an identical structure to the portfolio being presented today. The bond inducement being requested today is to provide financing for CDP's Arizona portfolio, which includes the following family projects: Cochise Apartments in Benson, Huachuca Desert Apartments in Huachuca City, Safford Village Apartments in Safford, and Wilcox Village Apartments in Wilcox. All the projects are existing USDA RD Section 515 communities and in total comprise116 units, of which 111 will receive a long-term subsidy from USDA. None of the four apartment communities have ever used low-income housing tax credits for financing. CDP's goal is to acquire, preserve these homes, address the property's rehabilitation needs and extend their affordability. The existing USDA Section 515 financing will be transferred to the new owner and subordinated to the bonds, while preserving the existing rental assistance. Combining four properties in one coordinated bond and 4% low-income housing tax credit transaction creates important efficiencies. Each property is relatively small on its own. Together, they have the scale to support the costs of financing, due diligence procurement, construction oversight, and reporting processes. This approach reduces duplicative transaction costs and helps CDP apply a consistent rehabilitation plan while still addressing the specific needs of each property. Most importantly, individual projects at these unit sizes simply do not pencil as standalone transactions. But grouping them provides an avenue to preserve these low-unit assets that normally get overlooked. CDP focuses on opportunities to preserve valuable affordable units in communities that rarely are able to access the state allocated (volume cap) bond financing. For the current transaction, CDP is proposing a development budget of $18.9 million, which includes $9.2 million across 116 units. The planned work includes apartment interior improvements, HVAC and water heaters, windows and doors, accessibility upgrades throughout, roofing and exterior repairs, site work, laundry improvements, and asbestos and capitalization. These improvements will modernize the communities while addressing much needed capital improvements, making them more energy efficient as well as supporting the long-term operation of these properties. Mr. Buckland added that despite a volatile market and equity being scarce for most developers, CDP's proposed lender is extremely interested in the equity on this portfolio, which puts CDP in a good position. CDP receiving approval for AZIDA's bond inducement of $8.5 million is an important step in advancing the bond and tax credit process and will allow CDP to continue to work through the financing of this project.

Ms. Romano thanked Mr. Buckland for the great presentation and asked how existing tenants would be handled during the rehabilitation.

Mr. Buckland explained that it is within CDP's budget to move tenants into a local hotel for one to three days during rehabilitation, which CDP has included in its budget.

Ms. Romano said she was glad CDP budgeted for that and noted that the properties had not been updated since between 1979 and 1983. She commented that this is an absolutely fantastic project, and the Board is very excited to be doing something in these outer agricultural communities in southern Arizona and urged CDP to bring more.

Mr. Dabdoub commented that he wished there was way to create more opportunities to rehabilitate rundown properties with a lot of different maintenance issues in smaller communities. There is a lot of focus on new construction or large-scale development, but as a Board, we need to ask how AZIDA can support more of these smaller, rural projects. He then asked Mr. Buckland if the cost in CDP's application includes both acquisition and development.

Mr. Buckland said that number is the total development cost, but the actual hard construction cost is about $9.2 million.

Mr. Dabdoub asked if the $116,000 per unit cost is what it costs to make the units more energy efficient and correct the deferred maintenance issues.

Mr. Buckland said that was correct. CDP has visited a lot of the properties, and they are tired and in need of rehabilitation, as can be seen in the pictures provided.

Mr. Dabdoub noted that if CDP is moving tenants to temporary accommodation, it seems like a heavy lift in terms of how much work needs to be done at a unit in the limited amount of time that tenant will stay at the hotel.

Mr. Buckland elaborated on the process noting that the interiors of the units are pretty basic. CDP plans to replace the flooring and cabinetry and install new stoves and refrigerators. In order to maximize efficiency, CDP will have all materials and appliances, etc., available on site before they start the rehabilitation process. CDP does not want to move a tenant out of a unit until they have everything in place to complete the upgrades. Based on prior experience, one to three days is the maximum time tenants would be relocated.

Board member **Marcel Dabdoub** then motioned to approve Resolution No. 2026-46, as presented. Board member **Andre Whittington** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

3. **Presentation and Discussion; No Board Action – Quarterly Financial Report**

Dirk Swift, Executive Director, presented the financial report for the first quarter of Fiscal Year 2027. Even though it's been just 90 days since the start of the new fiscal year, revenues are trending upward. In the materials, expenses are shown as compared to last year as well as compared to the budget. Because it's the first quarter, expenses should be at 25%, and they generally are. Mr. Swift highlighted three expense areas that are higher than anticipated so the Board knows that staff recognizes them. First, the insurance expense looks high at 77%, and it is because payment of most renewal premiums are due now. Second, accounting and audit expenses are high at 72% because

now is the time of year AZIDA pays for the Eide Bailey audit. Third, amounts paid for dues, fees and subscriptions are at 98% because most are paid in advance for the year. Mr. Swift acknowledged, however, that he may have underbudgeted that last expense at $10,000, but expects any excess won't be dramatic. He thinks the final number could end up closer to $15,000-$18,000.

Mr. Swift reported that AZIDA's audited financials should be completed soon. Mr. Swift has seen a draft, and it all looks good, however, there may be a small finding that was a carryover from FY2025. The 2026 audit of FY2025 showed there were some corrective accounting measures that were not done correctly. The errors were corrected as soon as Eide Bailey notified staff of the issue, but at that point, it was already about three months into the 2026 fiscal year. So, of course, the correction will be noted, and he wanted to bring that to the Board's attention.

Mr. Dabdoub commented that the word "finding" should be used carefully in the audit context and he's glad it wasn't a big deal.

Mr. Dialessi elaborated on how the issue arose. As staff was cleaning up recording the split between different programs, they were mistakenly deleting journal entries. Those entries needed to be reversed and then handled in a different way. Staff stopped that practice the moment it was pointed out; however, as Mr. Swift noted, we were already into the fiscal year.

Ms. Romano commented that is nice to have income and that the first quarter started off well.

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

Mr. Swift discussed some of AZIDA's outreach, marketing, and networking efforts that are under way. Both he and Mr. Dialessi attended the National Council of State Housing Agencies (NCSHA) annual conference in Detroit. At the NCSHA conference, AZIDA was again recognized for its recycling bond facility, which was nice. Mr. Folk attended the National Association of Health and Educational Facilities Finance Conference and Ms. Hernandez recently attended the National Association of Hispanic Real Estate Professionals Conference. AZIDA's reach has been very broad. Locally, Mr. Folk attended the Arizona Association of Economic Development, and he is active and on the board of NextGen Arizona, which is the Arizona Housing Coalition's Young Professionals Network.

Ms. Romano said that was wonderful and offered congratulations.

Mr. Swift continued by sharing that Ms. Hernandez is involved with the National Association of Hispanic Real Estate Professionals at the national level, but she is also involved in their local chapter as marketing director, and she will be on the board in 2027. He emphasized these positions and events are voluntary and staff attends to market AZIDA and its programs. Mr. Swift added that Ms. Hernandez is also involved with mortgage bankers through the Arizona Mortgage Lenders Association, the Arizona Association of Mortgage Professionals, and the local chapter of the National Association

of Professional Mortgage Women, for which AZIDA just recently sponsored an event. Mr. Swift and Mr. Folk attended the grand opening of the Fort Whipple project, the affordable housing project located at the VA facility in Prescott. There were a lot of dignitaries in attendance and almost two hours of speeches so there was a lot of public recognition for the project. He added that thought staff attendance at the Arizona Housing Forum has been discussed at prior meetings, he realized he had failed to recognize the Housing Hero Awards. This year, Mercy Housing was awarded developer of the year – specifically for the Cascalote (at the time of financing, referred to as 'Mercy Glendale Senior') project in Glendale and the Western Winds project in Tucson, both through AZIDA. Mr. Swift said he believes AZIDA projects have earned developer of the year awards three of the last four years.

Mr. Folk concurred, noting that Ulysses Development Group was awarded developer of the year in 2025.

Mr. Swift added that all this activity has only been over the last four or five weeks, not six months ago, and it doesn't include direct contact being made with new or existing clients. There are also other small events and engagement staff is involved with. So, there is a lot of activity going on, which is driving up expenses, but that is the cost of being out in the community.

Ms. Romano said you have to beat doors in order to get business, and she doesn't think any of the Board members have an issue with that. Especially, when it results in good numbers. She then encouraged Board members to review the reports posted on the website prepared by Mr. Folk and Ms. Hernandez, as well as the conduit bond executive report, if they hadn't already. She noted that Mr. Folk has been reaching out to the small local IDAs, such as Yavapai IDA, as part of AZIDA's strategic plan and she hopes that leads to something positive.

Mr. Folk said discussions with Yavapai IDA have centered around working in partnership with AZIDA to make it easier to bring projects forward and potentially share in the benefits.

Mr. Swift added the Yavapai IDA also pivoted from the subject of bonds to talk with Ms. Hernandez about housing.

Ms. Romano said that was excellent and added that Ms. Hernandez prepared a wonderful executive summary with a plan of action. She emphasized there is more information on the website than just the Board packet, including pictures – this team is hustling.

Mr. Swift noted that Mr. TerBush, who handles AZIDA's website, also traveled to Fort Whipple to take photos.

Ms. Romano thanked staff for all of the hard work and said she is glad AZIDA is having a good first quarter. She ended by repeating her encouragement that members review the great information posted on the sharefile.

5. **Adoption of Minutes of the September 22, 2026, AZIDA Regular Board Meeting**

Board member **Ken Burns** moved to adopt the minutes of the September 22, 2026, AZIDA regular board meeting. Board member **Marcel Dabdoub** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

6. **Call to the Public**

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

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

7. **Announcements**

Ms. Romano announced that the next regular meeting of the Arizona Industrial Development Authority will be held on Thursday, November 19, 2026, and noted that people should consult the AZIDA website for additional meeting details. Also, in order to accommodate the carryforward volume cap request deadline on December 15, the December meeting is tentatively scheduled for December 10, 2026, but may change based on Board member availability.

8. **Adjournment**

Board member **Marcel Dabdoub** motioned for adjournment of the AZIDA Board meeting at 4:02 p.m. Board member **Andre Whittington** seconded.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed, and the meeting was adjourned.

[*Remainder of page left blank; signature page follows*]

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

November 19, 2026
Date of Board Action