



Agenda

City Council Policy Session

Tuesday, March 26, 2024

2:30 PM

phoenix.gov

OPTIONS TO ACCESS THIS MEETING

Virtual Request to speak at a meeting:

- **Register online** by visiting the City Council Meetings page on phoenix.gov **at least 2 hours prior to the start of this meeting.** Then, click on this link at the time of the meeting and join the Webex to speak: <https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=ef16d4f2ed24f656028eea122d8dfd125>

- **Register via telephone** at 602-262-6001 **at least 2 hours prior to the start of this meeting.** Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

In-Person Requests to speak at a meeting:

- Register in person at a kiosk located at the City Council Chambers, 200 W. Jefferson St., Phoenix, Arizona, 85003. Arrive **1 hour prior to the start of this meeting.** Depending on seating availability, residents will attend and speak from the Upper Chambers, Lower Chambers or City Hall location.

- Individuals should arrive early, 1 hour prior to the start of the meeting to submit an in-person request to speak before the item is called. After the item is called, requests to speak for that item will not be accepted.

At the time of the meeting:

- **Watch** the meeting live streamed on phoenix.gov or Phoenix Channel 11 on Cox Cable, or using the Webex link provided above.

- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2551 805 1711# (for English) or 2556 892 1024# (for Spanish). Press # again when prompted for attendee ID.

- **Watch** the meeting in-person from the Upper Chambers, Lower Chambers or City Hall depending on seating availability.

- Members of the public may attend this meeting in person. Physical access to the meeting location will be available starting 1 hour prior to the meeting.

Para nuestros residentes de habla hispana:

- **Para registrarse para hablar en español**, llame al 602-262-6001 **al menos 2 horas antes del inicio de esta reunión** e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2556 892 1024#. El intérprete le indicará cuando sea su turno de hablar.

- **Para solamente escuchar la reunión en español**, llame a este mismo número el día de la reunión (602-666-0783; ingrese el número de identificación de la reunión 2556 892 1024#). Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

- **Para asistir a la reunión en persona**, vaya a las Cámaras del Concejo Municipal de Phoenix ubicadas en 200 W. Jefferson Street, Phoenix, AZ 85003. Llegue 1 hora antes del comienzo de la reunión. Si desea hablar, regístrese electrónicamente en uno de los quioscos, antes de que comience el tema. Una vez que se comience a discutir el tema, no se aceptarán nuevas solicitudes para hablar. Dependiendo de cuantos asientos haya disponibles, usted podría ser sentado en la parte superior de las cámaras, en el piso de abajo de las cámaras, o en el edificio municipal.

Miembros del público pueden asistir a esta reunión en persona. El acceso físico al lugar de la reunión estará disponible comenzando una hora antes de la reunión.

CALL TO ORDER**COUNCIL INFORMATION AND FOLLOW-UP REQUESTS**

This item is scheduled to give City Council members an opportunity to publicly request information or follow up on issues of interest to the community. If the information is available, staff will immediately provide it to the City Council member. No decisions will be made or action taken.

CONSENT ACTION

This item is scheduled to allow the City Council to act on the Mayor's recommendations on the Consent Agenda. There is no Consent Agenda for this meeting.

CALL FOR AN EXECUTIVE SESSION

A vote may be held to call an Executive Session for a future date.

REPORTS AND BUDGET UPDATES BY THE CITY MANAGER

This item is scheduled to allow the City Manager to provide brief informational reports on topics of interest to the City Council. The City Council may discuss these reports but no action will be taken.

ORDINANCES, RESOLUTIONS, AND FORMAL ACTION (ITEM 1)

Roll Call and City Clerk Reads 24-Hour Paragraph

1 **Phoenix City Code Chapter 18: Proposed Amendments for the Mitigation of Heat-Related Illnesses and Injuries in the Workplace (Ordinance G-7241)**

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This report transmits proposed changes to Phoenix City Code (PCC) Chapter 18, Human Relations, to adopt language adding Article XI to address contractor requirements for the mitigation of heat-related illnesses and injuries in the workplace and adopt all related conforming changes.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays, Deputy City Manager Gina Montes, the City Manager's Office, the Office of Heat Mitigation and Response, and the Law Department.

DISCUSSION AND POSSIBLE ACTION (ITEM 2)

2 Phoenix IDA Strategic Planning and Priorities

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This memo transmits the report from The Industrial Development Authority of the City of Phoenix, Arizona (the Phoenix IDA) regarding its mission, accomplishments, investments and priorities for City Council feedback and input.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the Phoenix IDA.

ADJOURN



Phoenix City Code Chapter 18: Proposed Amendments for the Mitigation of Heat-Related Illnesses and Injuries in the Workplace (Ordinance G-7241)

This report transmits proposed changes to Phoenix City Code (PCC) Chapter 18, Human Relations, to adopt language adding Article XI to address contractor requirements for the mitigation of heat-related illnesses and injuries in the workplace and adopt all related conforming changes.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

Summer heat is a serious public health challenge for residents of and visitors to the region. Heat-related deaths in Phoenix as reported by the Maricopa County Department of Public Health have risen substantially since 2014, to a new record high of 395 during 2023, the hottest summer in the City's history.

The total public health burden of extreme heat in Phoenix also includes thousands of cases of heat-related illness that require medical treatment including ambulance dispatches, emergency room visits and overnight hospitalization. In 2023, the single day with the most medical calls to the Phoenix Fire Department was July 18. Total calls surged 34 percent higher than a typical day as high temperatures reached 118 degrees Fahrenheit in the middle of what would become the hottest month on record for any major American city. In response to the impact of extreme heat, the City of Phoenix has developed a Heat Response Plan. The Heat Response Plan is organized into nine broad strategies. One of these strategies includes implementation of heat safety measures for workers.

Additionally, in further recognition of the serious health challenge during the summer months, the State of Arizona established a State Emphasis Program (SEP) focused on mitigating heat-related illnesses and injuries in the workplace. As part of the SEP, employers are compelled to create plans to reduce the risk for heat-related illnesses and injuries. Per the SEP, written plans will need to include water, rest, shade, acclimatization, and training to recognize signs and symptoms of heat stress. As a result, each City department created a Heat Illness and Injury Prevention Plan to support City of Phoenix employees.

Following the creation of the City's Heat Illness and Injury Prevention Plans supporting City of Phoenix employees, staff gathered stakeholder feedback to determine the best approach to support contracted workers as well. As part of this stakeholder engagement effort, staff held two rounds of stakeholder meetings:

The first round of stakeholder meetings focused on initial proposal and feedback.

- Workers - Feb. 12, 2024
- Labor Organizations - Feb. 13, 2024
- City Contractors - Feb. 13, 2024

The second round of stakeholder meetings focused on reviewing the draft ordinance that incorporated feedback from the first round and to receive additional feedback:

- City Contractors - March 7, 2024
- Workers and Labor Organizations - March 7, 2024

Based on the feedback received from stakeholders, staff have proposed an ordinance to amend PCC Chapter 18 to add Article IX: Contractor Requirements for the Mitigation of Heat-Related Illnesses and Injuries in the Workplace (**Attachment A**). The new requirements apply to all contracts, licenses, and leases between the City and the contractor, licensee, lessee and contracts between the contractor and its subcontractors, sublicensees, and sublessees with workers that perform work in an outdoor environment.

The applicable entities must have a written heat safety plan on file, which at a minimum, must include the following:

1. Availability of sanitized cool drinking water free of charge at locations that are accessible to all employees and contract workers.
2. Ability to take regular and necessary breaks as needed and additional breaks for hydration.
3. Access to shaded areas and/or air conditioning.
4. Access to air conditioning in vehicles with enclosed cabs with such access to functioning air conditioning required by no later than May 1, 2025.
5. Effective acclimatization practices.
6. Conduct training and make it available and understandable to all employees and contract workers.

Staff requests City Council adopt the proposed amendments to PCC Chapter 18 to add Article XI to address the contractor requirements for the mitigation of heat-related illnesses and injuries in the workplace.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays, Deputy City Manager Gina Montes, the City Manager's Office, the Office of Heat Mitigation and Response, and the Law Department.

Attachment A

THIS IS A DRAFT COPY ONLY AND IS NOT AN OFFICIAL COPY OF THE FINAL
ADOPTED ORDINANCE

ORDINANCE G-XXXX

AN ORDINANCE AMENDING CHAPTER 18 OF THE
PHOENIX CITY CODE TO REVISE ARTICLE I, SECTION
18-2(A)(6) AND ADD ARTICLE XI TO ADDRESS
CONTRACTOR REQUIREMENTS FOR THE MITIGATION
OF HEAT-RELATED ILLNESSES AND INJURIES IN THE
WORKPLACE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX as

follows:

SECTION 1. That Chapter 18, Article I, Section 18-2(A)(6) is hereby
amended and revised to clarify the authority and responsibility for monitoring compliance
with the contractor requirements for the mitigation of heat-related illnesses and injuries
as set forth in Article XI as follows:

**Article I.
In General**

* * * *

Sec. 18-2 Administrative provisions.

A. *Powers and duties of Phoenix Commission on Human Relations and Equal
Opportunity Department.*

* * * *

6. EXCEPT FOR ARTICLE XI, [t]he authority and responsibility for administering
this chapter rests with the Director of the Equal Opportunity Department.

SECTION 2. That Chapter 18 of the Phoenix City Code is amended to add Article XI to address contractor requirements for the mitigation of heat-related illnesses and injuries in the workplace as follows:

**ARTICLE XI.
CONTRACTOR REQUIREMENTS FOR THE MITIGATION OF HEAT-RELATED
ILLNESSES AND INJURIES IN THE WORKPLACE.**

SEC. 18-411. DECLARATION OF POLICY.

A. IT IS THE POLICY OF THE CITY OF PHOENIX THAT ANY CONTRACTOR, WHOSE EMPLOYEES AND CONTRACT WORKERS PERFORM WORK IN AN OUTDOOR ENVIRONMENT UNDER A CITY CONTRACT, LEASE OR LICENSE MUST UTILIZE HEAT SAFETY AND MITIGATION PLANS TO PREVENT HEAT-RELATED ILLNESSES AND INJURIES IN THE WORKPLACE.

B. THE PURPOSE OF THIS ARTICLE IS TO ADDRESS A SERIOUS PUBLIC HEALTH CONCERN IN THE CITY OF PHOENIX AND TO TAKE MEASURES TO PROTECT THE OUTDOOR WORKFORCE.

C. IT IS ACKNOWLEDGED THAT THE FEDERAL OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) HAS PUBLISHED AN ADVANCED NOTICE OF PROPOSED RULEMAKING TO ADDRESS HEAT INJURY AND ILLNESS PREVENTION IN OUTDOOR AND INDOOR WORK SETTINGS. IT IS ALSO ACKNOWLEDGED THAT NO STATE STANDARD OR REGULATION ADDRESSING THE MITIGATION OF HEAT-RELATED ILLNESSES AND INJURIES IN THE WORKPLACE IS CURRENTLY CODIFIED AND IN EFFECT WITHIN THE STATE OF ARIZONA. IT IS FURTHER ACKNOWLEDGED THAT, IF OSHA ULTIMATELY ADOPTS

A RULE OR THE ARIZONA LEGISLATURE ENACTS HEAT MITIGATION WORKPLACE LEGISLATION, THEN ENFORCEMENT OF THIS ARTICLE MAY BE PREEMPTED BY FEDERAL OR STATE LAW.

SEC. 18-412. DEFINITIONS.

IN ADDITION TO THE DEFINITIONS SET FORTH IN SECTION 18-3, IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

CITY MEANS THE CITY OF PHOENIX.

CONTRACTOR MEANS ANY PERSON OR ENTITY THAT IS A PARTY TO A CITY CONTRACT, CITY LEASE OR CITY LICENSE (COLLECTIVELY A CONTRACT).

HEAT MITIGATION MEANS THE IMPLEMENTATION OF PREVENTATIVE AND PROACTIVE MEASURES BY CONTRACTORS TO PROVIDE PROTECTION AND RELIEF FROM HEAT HAZARDS WHEN WORKING ON CITY-OWNED, CITY-LEASED OR CITY-LICENSED PROPERTY INCLUDING ON ANY CITY STREETS OR DEDICATED RIGHTS OF WAY.

OUTDOOR ENVIRONMENT MEANS A CITY-OWNED, CITY-LEASED OR LICENSED LOCATION WHERE WORK ACTIVITIES ARE CONDUCTED OUTSIDE. THE TERM ALSO INCLUDES LOCATIONS SUCH AS SHEDS, TENTS, GREENHOUSES, OR OTHER STRUCTURES INCLUDING JET BRIDGES TO AIRCRAFT WHERE WORK ACTIVITIES ARE CONDUCTED INSIDE BUT THE TEMPERATURE IS NOT MANAGED BY DEVICES THAT REDUCE HEAT EXPOSURE AND AID IN COOLING, SUCH AS AIR CONDITIONING SYSTEMS.

SUBCONTRACTORS MEANS A FIRM, PARTNERSHIP, CORPORATION OR COMBINATION THEREOF HAVING A DIRECT CONTRACT WITH THE CONTRACTOR

FOR ALL OR ANY PORTION OF THE WORK THAT IS THE SUBJECT OF THE CITY CONTRACT. FOR PURPOSES OF THIS ARTICLE, SUBCONTRACTORS INCLUDE SUBLESSEES AND SUBLICENSEES.

SEC. 18-413. REQUIREMENTS OF CONTRACTORS.

A. REQUIRED CONTRACT LANGUAGE.

THE FOLLOWING CLAUSE IS REQUIRED TO APPEAR IN ALL CONTRACTS BETWEEN THE CITY AND THE CONTRACTOR AND CONTRACTS BETWEEN THE CONTRACTOR AND ITS SUBCONTRACTORS, SUBLICENSEES AND SUBLESSEES: ANY CONTRACTOR WHOSE EMPLOYEES AND CONTRACT WORKERS PERFORM WORK IN AN OUTDOOR ENVIRONMENT UNDER THIS CONTRACT MUST KEEP ON FILE A WRITTEN HEAT SAFETY PLAN. THE CITY MAY REQUEST A COPY OF THIS PLAN AND DOCUMENTATION OF ALL HEAT SAFETY AND MITIGATION EFFORTS CURRENTLY IMPLEMENTED TO PREVENT HEAT-RELATED ILLNESSES AND INJURIES IN THE WORKPLACE. THE PLAN MUST ALSO BE POSTED WHERE IT IS ACCESSIBLE TO EMPLOYEES. AT A MINIMUM, THE HEAT SAFETY AND MITIGATION PLAN AND DOCUMENTATION REQUIRED UNDER THIS PROVISION SHALL INCLUDE EACH OF THE FOLLOWING AS IT RELATES TO HEAT SAFETY AND MITIGATION:

1. AVAILABILITY OF SANITIZED COOL DRINKING WATER FREE OF CHARGE AT LOCATIONS THAT ARE ACCESSIBLE TO ALL EMPLOYEES AND CONTRACT WORKERS.
2. ABILITY TO TAKE REGULAR AND NECESSARY BREAKS AS NEEDED AND ADDITIONAL BREAKS FOR HYDRATION.

3. ACCESS TO SHADED AREAS AND/OR AIR CONDITIONING.

4. ACCESS TO AIR CONDITIONING IN VEHICLES WITH ENCLOSED CABS. ALL SUCH VEHICLES MUST CONTAIN FUNCTIONING AIR CONDITIONING BY NO LATER THAN MAY 1, 2025.

5. EFFECTIVE ACCLIMATIZATION PRACTICES TO PROMOTE THE PHYSIOLOGICAL ADAPTATIONS OF EMPLOYEES OR CONTRACT WORKERS NEWLY ASSIGNED OR REASSIGNED TO WORK IN AN OUTSIDE ENVIRONMENT.

6. CONDUCT TRAINING AND MAKE IT AVAILABLE AND UNDERSTANDABLE TO ALL EMPLOYEES AND CONTRACT WORKERS ON HEAT ILLNESS AND INJURY THAT FOCUSES ON THE ENVIRONMENTAL AND PERSONAL RISK FACTORS, PREVENTION, HOW TO RECOGNIZE AND REPORT SIGNS AND SYMPTOMS OF HEAT ILLNESS AND INJURY, HOW TO ADMINISTER APPROPRIATE FIRST AID MEASURES AND HOW TO REPORT HEAT ILLNESS AND INJURY TO EMERGENCY MEDICAL PERSONNEL.

THE CONTRACTOR FURTHER AGREES THAT THIS CLAUSE WILL BE INCORPORATED IN ALL SUBCONTRACTS WITH SUBCONTRACTORS, SUBLICENSEES OR SUBLESSEES WHO MAY PERFORM LABOR OR SERVICES IN CONNECTION WITH THIS CONTRACT. ADDITIONALLY, THE CONTRACTOR AGREES TO REQUIRE ALL SUBCONTRACTORS, SUBLICENSEES OR SUBLESSEES TO INCLUDE THIS CLAUSE IN ALL CONTRACTS WITH ANY THIRD PARTY WHO IS CONTRACTED TO PERFORM LABOR OR SERVICES IN CONNECTION WITH THIS CONTRACT. IT IS THE OBLIGATION OF THE CONTRACTOR TO ENSURE COMPLIANCE BY ITS SUBCONTRACTORS.

B. DOCUMENTATION.

IN ADDITION TO THE DOCUMENTS REQUIRED IN SUBSECTION A, CONTRACTORS MAY BE REQUIRED TO PROVIDE ADDITIONAL DOCUMENTATION VERIFYING THAT MITIGATION EFFORTS TO PROTECT AGAINST HEAT RELATED ILLNESS OR INJURY IN THE WORKPLACE ARE BEING UTILIZED.

C. MONITORING.

THE DEPARTMENT PRIMARILY RESPONSIBLE FOR MANAGING ANY CONTRACT COVERED BY THIS ARTICLE SHALL MONITOR COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE.

SEC. 18-414. FAILURE OF CONTRACTORS TO COMPLY.

A CONTRACTOR WHO FAILS TO COMPLY WITH THE PROVISIONS OF THIS ARTICLE AFTER RECEIVING NOTICE AND AN OPPORTUNITY TO CURE SHALL BE SUBJECT TO THOSE SANCTIONS ALLOWED BY LAW INCLUDING, BUT NOT LIMITED TO, CANCELLATION, TERMINATION, SUSPENSION OF THE CONTRACT, OR SUSPENSION OR DEBARMENT IN ACCORDANCE WITH CHAPTER 43, ARTICLE IX, OF THE PHOENIX CITY CODE .

SEC. 18-415. ADMINISTRATIVE RESPONSIBILITY.

CITY DEPARTMENTS SHALL INCLUDE THE REQUIREMENTS OF THIS ARTICLE AS EXPRESSED IN SECTION 18-413 IN ALL BIDS, PROPOSALS, WRITTEN QUOTES, CONTRACTUAL AGREEMENTS, LEASES, LICENSES OR REQUESTS FOR QUALIFICATIONS.

SEC. 18-416. EXCLUSIONS.

THIS ARTICLE DOES NOT APPLY TO ANY CITY CONTRACT, CITY LEASE OR CITY LICENSE WITH ANY OTHER GOVERNMENTAL AGENCY.

PASSED by the City Council of the City of Phoenix this 26TH day of March, 2024.

MAYOR

Date

ATTEST:

Denise Archibald, City Clerk

APPROVED AS TO FORM:
Julie M. Krieger, City Attorney

By: _____

REVIEWED BY:

Jeffrey Barton, City Manager



Phoenix IDA Strategic Planning and Priorities

This memo transmits the report from The Industrial Development Authority of the City of Phoenix, Arizona (the Phoenix IDA) regarding its mission, accomplishments, investments and priorities for City Council feedback and input.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The mission of the Phoenix IDA is to provide access to funding to benefit underserved communities. Its vision to be the premiere nonprofit community investor, known for providing the most innovative, efficient and highest quality services, improving the lives of all Arizonans. The Phoenix IDA is governed by a nine-member board of directors. Each member serves a six-year term and is appointed by the Mayor and City Council of the City of Phoenix.

The Phoenix IDA provides public finance options, including bonds, investments and loans to projects that benefit the overall health and sustainability of the City of Phoenix and underserved communities. Projects are focused in the areas of housing, healthcare, education and community and economic development. Its impact includes \$3.4 billion issued in private activity bonds since 2009, \$10 million awarded as grants to nonprofits since 2011, 25,000 new homeowners helped with down payment assistance since 2012, and 322 students received higher education scholarships since 2018.

The Phoenix IDA is also the administrator of the Phoenix Community Development and Investment Corporation (PCDIC). PCDIC is a nonprofit corporation created by the City of Phoenix in 2002. The PCDIC's mission is to attract and provide funds for projects that will improve the quality of life for individuals who live and work in underserved areas. The PCDIC is governed by a seven-member board of directors comprised of representatives from organizations that serve the low-income community and City of Phoenix executives. Through PCDIC, the Phoenix IDA continues to expand investments in projects such as health and human services due to multi-million-dollar federal awards for New Markets Tax Credit (NMTC) financing, which benefit local projects in underserved areas. Since 2018, PCDIC has made approximately \$195

million in NMTC allocations in support of numerous projects in Phoenix and Maricopa County's underserved communities.

Please see the attached report from Phoenix IDA CEO Juan Salgado with more details regarding the Phoenix IDA's programs and accomplishments, support to the City of Phoenix, and priorities for 2024 (**Attachment A**).

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the Phoenix IDA.



PHOENIX IDA

MEMORANDUM

DATE: March 26, 2024
TO: Mayor Gallego and Members, Phoenix City Council
FROM: Juan Salgado, Chief Executive Officer
SUBJECT: March 26, 2024, Phoenix City Council Policy Presentation

The Phoenix IDA is pleased to provide the following report to the City of Phoenix City Council. This report sets forth the Phoenix IDA’s mission, its accomplishments, support for the City of Phoenix, and its priority for 2024.

ABOUT THE PHOENIX IDA

The mission of the Phoenix IDA is to provide access to funding to benefit underserved communities. Our vision is to be the premiere nonprofit community investor, known for providing the most innovative, efficient and highest quality services, improving the lives of all Arizonans.

The Phoenix IDA provides public finance options, including bonds, investments and loans to projects that benefit the overall health and sustainability of the City of Phoenix and underserved communities. Projects are focused in the areas of housing, healthcare, education, and community and economic development.

Since 2009, the Phoenix IDA has closed more than \$3.4 billion in bond transactions, which have greatly enhanced communities, particularly in the areas of affordable housing, healthcare, and education. The fees the Phoenix IDA earns from these transactions are invested in the city of Phoenix’s residents. The IDA is self-sustaining through its own efforts and does not rely on taxpayer funds.

Additionally, as the administrator of the Phoenix Community Development & Investment Corporation (PCDIC), a nonprofit corporation created by the City of Phoenix, the Phoenix IDA continues to expand investments in projects such as health and human services due to multi-million-dollar federal awards for New Markets Tax Credit financing, which benefit local projects in under-resourced areas.

PHOENIX IDA PROGRAMS AND ACCOMPLISHMENTS

1. Bond Financing

Created pursuant to Arizona statute (Title 35), the Phoenix IDA serves as a conduit issuer of private activity bonds, which attract private investment to finance projects that provide a public benefit. Among several benefits to this form of financing is that most of the bonds issued are tax-exempt, resulting in significant interest savings to qualified project borrowers. As a conduit issuer, the Phoenix IDA is not responsible for repayment of the bonds, and neither are the City of Phoenix, Maricopa County, or the State of Arizona. The Phoenix IDA has issued bonds for a broad range and scope of borrowers, including educational and healthcare facilities, multifamily housing, and nonprofit organizations.

From January 1, 2010, to December 31, 2023, the Phoenix IDA has been involved in 89 transactions, issuing over \$3.39 billion in private activity bonds. These transactions were in the following areas: Education (62%), Health Care (16%), Community Development (10%), Housing (5%), Solid Waste Disposal (5%), and Manufacturing (2%).

2. Homeownership

Homeownership and access to affordable housing are major priorities for the Phoenix IDA. The Phoenix IDA restarted its Home in Five Advantage program in 2012 to help homebuyers achieve the American Dream of homeownership by providing down payment and closing costs assistance. The program is co-sponsored by the Maricopa County IDA and assistance is available to homebuyers throughout the county, with over 35% of the homes purchased within the City of Phoenix. The Home in Five Advantage program has supported more than 25,000 new homeowners in Maricopa County, providing \$195 million in down payment assistance and \$5.1 billion in total home loans.

In addition to the Home in Five Advantage Program, the Phoenix IDA invests in and administers the Home in Five Platinum program. In 2023, with City of Phoenix Council approval, and working with the Maricopa County IDA, the Phoenix IDA obtained authorization to issue \$200 million in tax-exempt, single-family bonds to help approximately 570 homebuyers by providing 4% down payment and closing cost assistance. A major advantage of the Phoenix IDA's separate Home in Five Platinum program is making mortgage loans at below market rates. Thirty million dollars of the bonds were issued in late 2023, with another \$30 million to be issued this month with a 5.90% interest rate. The plan is to issue the remaining \$140 million of bonds later this year, and possibly return to the Phoenix City Council before the end of 2024 to seek authorization to issue more of these bonds.

3. The Phoenix IDA's Community Investments

A. The Phoenix IDA Community Development Fund

The Phoenix IDA Board of Directors established the Phoenix IDA Community Development Fund in February 2011. The purpose of the Fund is to invest fees received from past non-Arizona transactions and other sources into community projects and programs that benefit and support the city of Phoenix residents. The approved focus areas include affordable

housing, youth and family development, health innovations, and community/economic development.

The Phoenix IDA employs a transparent process, administered by an independent third party, to award Community Development Fund grants to the City of Phoenix and qualified nonprofit organizations.

As of December 2023, the Phoenix IDA has awarded \$1,636,215 in grants to City of Phoenix Departments. These funds were invested in the following areas:

- Affordable Housing - \$160,000
- Youth & Family Development (Education) - \$107,000
- Community & Economic Development - \$1,369,215

As of December 2023, the Phoenix IDA has awarded \$10,303,290 in grants to nonprofits providing services for Phoenix residents. These funds were invested in the following areas:

- Affordable Housing - \$2,145,000
- Youth & Family Development – (Education) - \$3,195,125
- Community & Economic Development - \$4,078,165
- Health Innovation - \$885,000

B. Verma & Ed Pastor Scholarship Fund

The Verma & Ed Pastor Scholarship Fund was created on February 26, 2010. This approval was part of the loan approved to RED Development for the final construction of CityScape. RED Development’s contribution to the Scholarship Fund was part of its Community Impact Plan related to the new markets tax credits deployed from the Phoenix Community Development & Investment Corporation’s 2008 allocation award. The Scholarship Fund is part of an expansion of educational opportunities for qualified, low- to moderate-income students. The RED agreement called for a \$1 million scholarship program to be implemented by the PCDIC. The Phoenix IDA approved its own investment of \$500,000 into the Scholarship Fund in November 2020.

As of December 2023, 322 scholarships were awarded to qualifying students attending ASU or a Maricopa County Community College. The total amount of scholarships awarded as of December 2023 was \$1,697,500.

C. Phoenix IDA Additional Investment in Homeownership

To provide further assistance to homebuyers, the Phoenix IDA’s own investment in the Home in Five Advantage Program provides an additional 1% of the first loan amount to community heroes: First responders, K-12 teachers, veterans, and U.S. military personnel. The program also supports income-qualified homebuyers earning less than \$49,500 annually. While other programs around the country recognize one or more of these groups for additional assistance, none of them provide such assistance to all the homebuyers eligible for participation as does the Phoenix IDA Home in Five Advantage Program.

A total of \$3.7 million from the Phoenix IDA's funds has been provided since 2012 to these groups that comprise 7.5% of all homebuyers in the program, with \$1.2 million to first responders, \$800,000 to veterans and U.S. military personnel, \$1.5 million to K-12 teachers, and \$200,000 to income-qualified homebuyers. In August of 2021, the Phoenix IDA invested its own funds to provide an additional 0.5% in assistance to income-qualified homebuyers and those who purchased a home in a low-income census tract, providing another \$70,000 to those homebuyers.

SUPPORT TO THE CITY OF PHOENIX

1. The Phoenix IDA Administers the Phoenix Community Development & Investment Corporation (PCDIC).

PCDIC is a community development entity (CDE) whose stated mission is "to attract and provide funds for projects that will improve the quality of life of those individuals who live and work in underserved areas of the community." PCDIC is governed by a 7-member Advisory Board made up of low-income community representatives, as defined by the New Markets Tax Credit (NMTC) program administrator, the Community Development Financial Institutions (CDFI) Fund, and a 7-member Board of Directors comprised of representatives from organizations that serve the low-income community and City of Phoenix executives.

In late 2017, then City of Phoenix Assistant City Manager, Milton Dohoney, approached the Phoenix IDA to request that it consider assuming daily management responsibilities of the PCDIC, of which the City of Phoenix is the controlling entity, given that the City of Phoenix executive that helped establish the PCDIC, Roberto Franco, had retired.

When these conversations began, PCDIC had not received an allocation award of NMTCs since the CY2010 allocation round, and the organization needed to go through a rigorous internal assessment to determine where any potential areas of improvement existed. The assessment included items such as review and revisions to existing policies and procedures, creation of new policies and procedures, analysis regarding how to best reinvest PCDIC's cash and other resources back into the community, and ultimately whether PCDIC could, or should, pursue NMTC award allocations.

As a result of these conversations, PCDIC and the Phoenix IDA entered into a Professional Management & Organizational Services Agreement effective July 1, 2018. This agreement is set to expire on June 30, 2024.

The current Scope of Services provided by the Phoenix IDA are, in general: 1) Leadership (Chief Executive Officer); 2) General administration of PCDIC operations; 3) Board administration (Board Member communications and Board Meeting logistics), 4) General PCDIC accounting and financial reporting; 5) Oversight of PCDIC's NMTC program, including preparing and submitting NMTC allocation applications and coordination of CDE and sub-CDE compliance and reporting; and, 6) Administration of community investments such as PCDIC's loan fund, scholarship awards, and other community investments.

A. NMTC Awards from US Treasury Beginning as of July 2018

As set forth above, before the Phoenix IDA took over the administration of PCDIC, PCDIC had not received an allocation award since 2010. Since 2018, PCDIC has received a total of \$195 million in NMTC allocation awards:

Attached as Exhibit A is a detailed summary of PCDIC's NMTC allocation awards.

B. PCDIC Administration and Financial Operations

Pursuant to the Professional Management & Organizational Services Agreement, the Phoenix IDA implemented the following changes in PCDIC's administration and governance: The Board officer election process was updated; an Advisory Board, and Audit Committee were established; new governance/administrative policies were created; and PCDIC's Bylaws and Articles of Incorporation were revised.

With the transfer of administrative duties to the Phoenix IDA, several financial policies were introduced or significantly updated: a financial policy, an investment policy, an operating reserves policy, a public support policy, a procurement policy, and a community impact investment policy. A new accounting system was developed and used to provide clear, transparent reporting to the PCDIC's Board of Directors. Additionally, funds on deposit were invested to maximize return while providing for cash needs.

C. PCDIC Programs Administered by the Phoenix IDA

i. Affordable Housing

In early 2020, PCDIC committed \$5 million from its \$25 million Community Impact Investment Fund (CIIF) to assist with soft, gap financing loans for multifamily affordable housing projects being built within the city of Phoenix. The plan is to provide up to \$1 million per project, and to date, a total of \$3 million has been funded for Soluna II (City of Phoenix project), Foothills Village (City of Phoenix project), and Mesquite Terrace, respectively. The remaining \$2 million (at \$1 million each) is earmarked for Pueblo Apartments and Horizon on Villa, another City of Phoenix affordable housing project.

ii. Loans

As part of efforts to get more of the PCDIC's resources out into the community, in March of 2020 PCDIC's Board approved a loan participation program whereby PCDIC (through the CIIF), purchases a portion (up to 15%) of loans made by community banks in order to encourage them to lend within highly distressed areas in Maricopa County.

iii. PCDIC Community Development Fund

In November 2018, PCDIC's Board of Directors approved \$2 million and guidelines for a Community Development Fund administered by ACF. Pursuant to PCDIC's policies, grants were made to qualified nonprofit organizations located within Maricopa County that primarily serve the residents of Maricopa County. These grants address high-priority needs and make Maricopa County communities better places for residents to live and do business. Grant funding is focused

on four areas: Affordable Housing, Community/Economic Development, Health Innovations, and Youth and Family Development (Education).

As of December 2023, PCDIC's Community Development Fund issued \$5,894,500¹ to nonprofits providing services for Phoenix/Maricopa County residents.

iv. Verma & Ed Pastor Scholarship Fund

As set forth above, the Verma & Ed Pastor Scholarship Fund was established by PCDIC's Board of Directors on February 26, 2010. Like the Phoenix IDA, PCDIC's Board of Directors approved additional funding to the scholarship fund in the amount of \$500,000 in November 2020. Applicants are selected through the same independent and transparent process described above.

2. City of Phoenix Mobile Home Park Closure Emergency Support

The City of Phoenix, through the City Manager's office, asked the Phoenix IDA for support to help families living in three Phoenix mobile home parks that were being closed by the park owners. The residents of these parks, which included families, children, veterans and the elderly, faced imminent forcible removal, displacement, potential homelessness and the loss of the homes that many owned, invested in and enjoyed for decades.

The Phoenix IDA invested its own funds, funds it raised through community partners, and American Rescue Plan Act funds received from the City of Phoenix to:

- (1) Help city residents avoid or deal with the hardships caused by forcible evictions;
- (2) Preserve affordable housing to meet the demonstrated need of the city's population;
- (3) Improve the conditions of mobile home parks and increase quality of life for city residents;
- (4) Promote the redevelopment of parks into alternative, affordable housing units as appropriate;
- (5) Help raise awareness of the need for manufactured housing stock and the vulnerability of manufactured home residents.

As a result of the Phoenix IDA's dedicated and persistent investment of time and resources, the Phoenix IDA helped residents of all three parks relocate, remain housed and avoid exacerbation of the city's homelessness crisis.

A. Beacon Park/Las Casitas Mobile Home Park

The Phoenix IDA's mobile home park closure support initially commenced, at the request of former Councilmember Carlos Garcia, as a nimble and necessary intervention of relocation and homeless prevention support, with inclusion and community introduction at the Las Casitas Park's closure community meeting hosted by Councilman Garcia on November 7, 2022.

B. Weldon Court Mobile Home Park

The Phoenix IDA's work at Weldon Court began at the request of Councilmember Laura Pastor. Councilwoman Pastor requested that the Phoenix IDA's subcontracted navigational partner,

¹ The Phoenix IDA contributed \$1,681,495 of this amount through grants to PCDIC.

Helping Families In Need, support the navigational needs of Weldon Court residents at an in-park community closure meeting on November 17, 2022.

C. Periwinkle Mobile Home Park

The Phoenix IDA's formal inclusion as part of the collaborative workgroup for this park commenced on May 23, 2023, with inclusion of the Helping Families In Need navigation team and Zazueta Law, PLLC, by invitation from the City of Phoenix Human Services Leadership team, to help late navigational intakes who were unserved and unprepared for the rapidly approaching June 30, 2023, eviction deadline.

D. Collaborative Team Effort

The Phoenix IDA allocated dedicated leadership staff resources and contracted a team that included Zazueta Law, PLLC and a team of ten community health and housing navigators from Helping Families In Need. The team collaborated with the City Manager's Office Leadership, Deputy Director Gina Montes, staff from the Office of Homeless Prevention, the City of Phoenix Housing and Human Services Departments, Community Bridges Inc., Community Legal Services, community activist group leaders, and various community-based organizations.

E. Services and Financial Support

The collaborative workgroup supported each park household through assessment and legal navigational needs of the 180-day mobile home park closure notice, mobile home park owner negotiations and communications (which included eviction extensions), homeless prevention, additional social needs, relocation guidance, and the Arizona Department of Housing (ADOH) relocation abandonment fund application process which included coordination of bond and title through the Arizona Department of Transportation. The Phoenix IDA's team also assisted with property tax payments, and income tax coordination for residents required to use an ITIN (Individual Taxpayer Identification Number) in lieu of a social security number on ADOH abandonment fund applications.

Funds for these comprehensive and sustained services came from the Phoenix IDA's Emergency Mobile Home Fund. The City of Phoenix also contributed ARPA funds to the effort.

Las Casitas residents utilized approximately \$28,000 of the Phoenix IDA's Emergency Mobile Home Fund; Weldon Court residents utilized approximately \$13,000; and Periwinkle residents utilized approximately \$43,000. The Phoenix IDA's Emergency Mobile Home Fund was used for moving assistance, emergency medical needs, property taxes for abandonment application submission, and income tax preparation for activation of ITIN, temporary housing, applications fees, deposits, and home repairs for older homes that were relocated.

F. High-Level Outcomes

Over an almost twelve-month period, the cooperative workgroup ensured that all 43 Las Casitas Park households (124 City of Phoenix residents) successfully relocated on or before the eviction date of October 31, 2023 (original eviction date May 1, 2022, and renegotiated twice by the Phoenix IDA leadership team).

Over an eleven-month period, the cooperative workgroup ensured that all 63 Weldon Court households (198 city of Phoenix residents) successfully relocated on or before the eviction date of September 30, 2023.

All 26 Periwinkle residents that were assisted by Helping Families In Need and Zazueta Law, in coordination with the Phoenix IDA and in cooperation with the larger collaborative workgroup, were successfully relocated or obtained temporary housing before the eviction date of June 30, 2023.

G. Ongoing Commitment

The Phoenix IDA's commitment to this initiative continues through monthly outreach check-in calls with each household, documenting self-sufficiency progress, supporting any post-relocation navigational needs in coordination with City Staff and monthly reporting until the Phoenix IDA's agreement with the City of Phoenix concludes in June 2024.

Helping Families In Need's Monthly Activities Report for March 2024 is attached as Exhibit B.

3. Park Central Hotel

In 2019, the Park Central Community Facilities District was created for development of a multi-use residential, commercial and retail project. Part of this project envisioned the construction of a hotel to support the nearby medical campuses and auxiliary facilities. The Community and Economic Development Department brought a proposal to the Phoenix IDA in 2020 to issue tax-exempt bonds for the financing of the project. The Phoenix IDA assisted the developer with the financing structure, adjusting it over time due to COVID impacts. Ultimately, the proposal for using bonds to finance the development did not result in the needed private investment.

The Phoenix IDA continued to work with the developer on a financing structure that ultimately resulted in the Phoenix IDA providing a \$6 million dollar loan to support the project. PCDIC made a \$10 million investment in the project that includes two Hilton Hotel brands. Construction began in October 2022. As of the end of 2023, the project was 60% complete and is expected to open in September 2024.

2024 PHOENIX IDA PRIORITY

A. Affordable Housing Plan

The City of Phoenix, like many other cities in the country, is facing affordable housing and homelessness crises. The Phoenix IDA will continue to advance all of its programs and services that benefit the City of Phoenix and its residents but has made housing initiatives its priority for 2024. To that end, the Phoenix IDA developed housing strategies for 2024 consistent with the continuum of housing from homelessness to homeownership and including support for the City of Phoenix's Housing Phoenix Plan and the Phoenix Housing Department's Choice Neighborhood projects. The Phoenix IDA hired a recognized housing expert with City of Phoenix and State of Arizona experience to lead its housing initiatives. The Phoenix IDA's Housing Plan (the Plan) was presented to its Board of Directors, which instructed staff to present the Plan to the Phoenix City Council members for comments.

B. Homeless Assistance

The Phoenix IDA is partnering in an innovative, quick-occupancy, solar powered solution for the homeless in 2024. “Senior Bridge” is a transitional housing project for homeless seniors utilizing repurposed border containers and the latest solar technology to create 40, non-congregate, one-bed/one-bath units of transitional housing. The closed-campus project, located at 2853 E. Van Buren Street, received a \$6 million grant from the Arizona Department of Housing. Senior Bridge will be constructed by Steel & Spark with Mercy House Arizona providing comprehensive wrap-around services. Future plans include 50 units of permanent apartment units on the same site for homeless seniors who are stabilized and ready to move on from transitional housing.

The Phoenix IDA is also supporting the City of Phoenix and US VETS by funding an on-site construction manager at the hotel for homeless veterans on I-17 and Cactus Road, to ensure all renovation work performed in the last two years is complete and complies with building codes. The Phoenix IDA is also funding comprehensive plumbing and roofing assessments to assist the City with a complete scope of additional work required for occupancy. Lastly, the Phoenix IDA is working closely with the Phoenix Housing Department and US VETS to identify additional funding opportunities to complete all the work necessary for occupancy and space to provide comprehensive services including casework, therapy, classes, and meal preparation.

C. Affordable Rental Housing

The Phoenix IDA is financing more 4% Low Income Housing Tax Credit (LIHTC) projects than ever before. In 2023, Phoenix IDA staff aggressively pursued two shovel-ready projects in the City of Phoenix that were originally submitted in the 9% competitive round, but not awarded tax credits. These two projects converted to 4%, and along with five new 4% LIHTC projects will result in new affordable housing units. In 2024, the Phoenix IDA will continue to work with affordable housing developers to promote the use of 4% LIHTC financing to build more affordable housing in the city of Phoenix.

In 2023, the Phoenix IDA facilitated the first sale of excess school district land for the purpose of building affordable housing. This land sale was made possible by a partnership with the City of Phoenix, Isaac School District, and UMOM, resulting in 96 new affordable housing units for low-income households. The Phoenix IDA is currently working with the Alhambra and Osborn School Districts to complete similar transactions in 2024 and is in conversations with several other school districts considering the sale of excess land to build affordable housing.

In support of the City of Phoenix seeking affordable housing development on City-owned land, the Phoenix IDA is partnering with developers responding to City of Phoenix RFPs in 2024. The Phoenix IDA’s proposed support includes advice, strategic planning, land banking, and financing options as requested by the developer and as appropriate for the proposal.

The Phoenix IDA is working with local banks and local developers to finance the construction of rental housing for low-income households. At least two duplex homes will be completed in 2024 and more are planned with a revolving loan structured by the Phoenix IDA.

D. Homeownership

As set forth above, the Phoenix IDA Board advanced \$2 million of its own funds to the Home in Five Advantage Platinum Program to provide down payment assistance, with a matching

commitment from Maricopa IDA, for homebuyers purchasing homes, in low-income census tracts or earning up to 50% of Area Median Income.

The Phoenix IDA will continue to expand financing options to provide homeownership for low-to moderate-income prospective homebuyers, such as Mortgage Credit Certificates and homebuyer education through local nonprofits.

E. Support for the City of Phoenix’s Choice Neighborhoods.

The Phoenix IDA has been committed to the City’s Choice Neighborhoods efforts from the beginning. The Phoenix IDA provided matching funds for the original planning grant for Edison Eastlake Choice Neighborhoods as well as acquiring the property for the first housing development, Soluna. The Phoenix IDA has and will continue to provide bond financing for the development of all subsequent phases of housing development in Edison Eastlake.

In 2024, the Phoenix IDA will be assisting with the new Choice Neighborhoods project that will include the Marcos de Niza public housing community. The Phoenix IDA will sponsor and fund some of the community meetings and planning exercises necessary to create a neighborhood transformation plan to submit to HUD for an implementation grant. Additionally, the Phoenix IDA will work closely with the Phoenix Housing Department to identify and purchase land in the community that will facilitate future development plans and community redevelopment goals.

CONCLUSION

The Phoenix IDA is fiscally sound, and it maintains the highest level of ethics in all of its operations. It has overcome market conditions to maintain an exceptional, robust organization that continues to creatively seek out opportunities that go well beyond the normal operations of most industrial development authorities and similar organizations. The Phoenix IDA is asked to intervene and help when other organizations are unable to do so. The Phoenix IDA is proud to support the City of Phoenix and its initiatives and looks forward to receiving the City Council’s comments on the 2024 Housing Plan.

Exhibit A

PCDIC has received the following NMTC allocation awards:

- CY2019 = \$35 million (deployments: NOAH – Desert Mission / Universal Health Services)
- CY2020 = \$55 million (deployments: Valle del Sol / VillageMD / CCA – Wellness Center / Pasqua Yaqui Tribe [\$7.5 million from this allocation + \$10 million from the CY2021 allocation])
- CY2021 = \$45 million (deployments: Pasqua Yaqui Tribe [as noted in the previous bullet] / St. Mary’s Food bank)
- CY2020 = \$60 million (deployments to date: NOAH – Palomino, \$15 million / CCA – Early Childhood, \$13 million). This leaves \$32 million yet to be deployed.

PCDIC has closed nine NMTC investments totaling \$163 million of allocation for the following projects:

Closed	Allocation Amount	Financing Activity	Closing
NOAH – Desert Mission Health Center	\$10.5 million	Real Estate	January 2021
Universal Health Services – Via Linda Behavioral Hospital	\$24.5 million	Real Estate	April 2021
Valle del Sol – Health Clinics	\$20 million	Operating Business	December 2021
VillageMD – Village Medical Primary Care Clinics	\$12.5 million	Real Estate + Operating Business	September 2022
Child Crisis Arizona (CCA) – Wellness Center	\$15 million	Real Estate	December 2022
Pascua Yaqui Tribe – Guadalupe Health Care Center	\$17.5 million	Real Estate	March 2023
St. Mary's Food Bank	\$35 million	Real Estate + Operating Business	August 2023
NOAH – Palomino Health Center	\$15 million	Operating Business	February 2024
CCA – Early Childhood Education	\$13 million	Operating Business	February 2024

Exhibit B
Helping Families In Need (HFIN) Monthly Report
(Ending 3/1/2024)

Las Casitas		Weldon Court		Periwinkle	
Number of Households Served	43	Number of Households Served	65	Number of Households Served	26
Number of Households Pending Assessment	0	Number of Households Pending Assessment	0	Number of Households Pending Assessment	0
DEMOGRAPHICS					
Total Residents	124	Total Residents	198	Total Residents	71
Ethnicity	American Indian/Alaskan Native	American Indian/Alaskan Native	0	American Indian/Alaskan Native	0
	Asian	Asian	1	Asian	0
	Black/African American	Black/African American	0	Black/African American	1
	Hispanic/Latino	Hispanic/Latino	124	Hispanic/Latino	69
	Native Hawaiian/Other Pacific Islander	Native Hawaiian/Other Pacific Islander	0	Native Hawaiian/Other Pacific Islander	0
	White	White	0	White	4
	Gender of Head of Household	Male	Female	Non-Binary	Individuals
Household Composition	55	66	0	18	25
Qualified Census Tract	124	0	198	0	26
SERVICES					
Housing Navigation	43	Housing Navigation	65	Housing Navigation	26
Case Management	43	Case Management	65	Case Management	26
Rental/Utility Assistance	43	Rental/Utility Assistance	65	Rental/Utility Assistance	26
Resource Referrals	43	Resource Referrals	65	Resource Referrals	26
Health/Mental Health	12	Health/Mental Health	25	Health/Mental Health	4
COVID-19 Assessment/Screenings	3	COVID-19 Assessment/Screenings	6	COVID-19 Assessment/Screenings	2
*Other (legal-abandonment)	43	*Other (legal-abandonment)	65	*Other (legal-abandonment)	26
CASE STATUS					
Households Relocated-Stabilized	43	Households Relocated/Stabilized	65	Households Relocated/Stabilized	22
Households Pending Services (ADOH)	3	Households Pending Services (ADOH)	3	Households Pending Services (1 relocate and 3 post-relocate ERA)	0
Households Unable to Assist or Vacant	0	Households Unable to Assist or Vacant	0	Households Unable to Assist or Vacant	0

*Legal Navigation with need beyond initial intake/overall initial legal assessment pertaining to landlord tenant needs