

HOUSING AND NEIGHBORHOODS DEPARTMENT



JACKSONVILLE HOUSING FINANCE AUTHORITY

MINUTES

OF

REGULAR MEETING

December 3, 2008

JACKSONVILLE HOUSING FINANCE AUTHORITY

December 3, 2008

12:00 p.m.

PROCEEDINGS before the Jacksonville Housing Finance Authority taken on Wednesday, December 3, 2008, Edward Ball Building, 214 N. Hogan Street, 8th Floor, Jacksonville, Duval County, Florida commencing at approximately 12:04p.m.

AUTHORITY MEMBERS

BERNARD E. SMITH, Chair
CATHERINE L. CHILDERS, Member
KEN FILIP, Member
RONALD JACKSON, Member
JIM PELLOTT, Secretary

WIGHT GREGER, Director

APPEARANCES

BOARD MEMBERS:

BERNARD E. SMITH, Chair
CATHERINE L. CHILDERS, Member.....absent
KEN FILIP, Member
RONALD JACKSON, Member
JIM PELLOT, Member

PROFESSIONAL STAFF:

RHONDA BOND-COLLINS, Greenberg Traurig, Inc.
KAREN CHASTAIN, Office of General Counsel
PATT DENIHAN, E-HOUSING PLUS
HELEN FEINBERG, RBC Dain Rauscher
MARK HENDRICKSON, The Hendrickson Company
PRISCILLA HOWARD, Community Concepts Group
SUSAN LEIGH, Community Concepts Group

STAFF:

WIGHT GREGER, Director
LAURA STAGNER
NANCY WESTCOTT
YON WHEELER

OTHERS PRESENT:

Richard Dillard, BONY
Sanford Horvitz – LISC
Shannon Nazworth – Ability Housing

TABLE OF CONTENTS

Call to Order and Comments 5

Consider Approval of Minutes, October 15, 2008 Regular Meeting 5

1. Reports 5

1a. JHFA Financial Reports 5

1b. Legislative Updates 5

1c. Director’s Report 6

1d. Financial Advisor’s Memo 7

2. Action Items 8

2a. Extension of the 2007 Single Family 8

2b. Extension of Preliminary Agreement (Arlington Portfolio) .. 9

2c. Extension of Preliminary Agreement (Bennett Creek) 9

2d. 2009 Bond NOFA (Towers of Jacksonville) 10

2e. 2009 Bond NOFA (Mayfair Village) 11

2f. Local Government Support for NOFA 11

2g. Request for Removal of Letter of Credit for Courtney Manor
and Sanctuary Walk 12

2h. Hartwood Apartments Remarketing Agent Request 12

3. New Business 12

4. Old Business 12

5. Public Comments 12

Adjournment 12

Certification 13

Exhibits 14

PROCEEDINGS

December 3, 2008

Regular meeting

12:00 p.m.

Call to Order and Comments. Chair Smith called the regular meeting to order at approximately 12:04 p.m. with a quorum present.

Consider Approval of Minutes of October 15, 2008 of the JHFA

Regular Meeting. The first item on the agenda was the approval of the minutes of the October 15, 2008, Regular Meeting, a copy of which is attached hereto and by this reference made a part hereof. Mr. Pellot made a motion to approve the minutes as amended. Mr. Filip seconded the motion.

Motion Passed 4-0.

1. Staff Reports

1a. JHFA Financial Reports

Referring to the Financial Report, a copy of which is attached hereto and by this reference made a part hereof. Ms. Stagner stated that the summary of the preliminary financial results for the month ending September 30, 2008 are available for review. She also stated that on the balance sheet, there is a \$437K deficit in the JHFA operating fund. She informed the Board that it is a timing issue in conjunction with closing out all of the balances. Once the budget is closed, there will not be a deficit.

1b. Legislative Updates

Referring to the Legislative Update Memorandum, a copy of which is attached hereto and by this reference made a part hereof. Ms. Stagner stated that there is nothing specific to the JHFA

available for review. However, legislation has been initiated for the Neighborhood Stabilization Program (NSP). Ms. Stagner stated that she will keep the Board updated as more legislative information becomes available.

1c. Director's Report

Ms. Greger gave a report regarding information that has taken place since the last authorized Board meeting. Discussion ensued about the following:

- Regarding the Tenant Based Rental Assistance (TBRA) program, Ms. Greger stated that the TBRA program went through the legislative process and will be heard at City Council next week. The program is expected to be up and running in January. Staff is presently working on contract negotiations with the Jacksonville Housing Authority and more information will be provided as it becomes available.
- Regarding the HUD Audit, Ms. Greger stated that the audit is still in the process of resolving some outstanding issues. The audit should be completed during the first quarter of 2009.
- Regarding the Neighborhood Stabilization Program (NSP) Amendment, Ms. Greger stated that the department has been awarded \$26M from HUD for the Neighborhood Stabilization Program. The primary focus of these funds is to acquire vacant, foreclosed, and abandoned properties and place them back into productive use in terms of making them available for owners and renters for viable housing as community

assets. The NSP document was submitted to HUD by the December 1st deadline. The document informs the federal government about how the award of \$26M will be allocated according to the guidelines. Ms. Greger also stated that there was language added to the NSP Amendment to use NSP dollars to pay for the cost of issuance should the JHFA decide to initiate a Single Family issue to provide end financing for the homes that are going to be acquired and rehabilitated. The plan is to initiate a series of RFP's to solicit partner entities in January to perform all of the various activities. Ms. Greger stated that staff has been given authority to hire two staff members beyond the employee cap to run the program in-house. Funds must be committed in 18 months and must be spent within four years. Programmatic workshops are being conducted over the next month to notify partner entities about what their roles could possibly be should they decide to respond to any and all RFP's. Ms. Greger stated that the legislative process has been initiated and that she expects to receive authorization to appropriate funds at the end of January with activities starting sometime in February. Ms. Greger stated that there has been a lot of interest and press about NSP and that she has spent time speaking with elected officials to keep them updated with pertinent information. There will be more information provided as it becomes available.

1d. Financial Advisor's Memo

Referring to the Memorandum from The Hendrickson Company, the

Community Concepts Group, and Greenberg Traurig, copies of which are attached hereto and by this reference made a part hereof, Mr. Hendrickson stated that the Financial Advisor's report contains information that have taken place since the last authorized Board meeting:

- Referring to North Shore Commons, Mr. Hendrickson stated that North Shore Commons is in the process of developing a shopping center on the corner of 48th and Main Street and submitted their application for assistance in financing. After review, the application is missing many threshold items and will not be analyzed until it is amended with the required information.
- Referring to the 2006 Single Family program, Mr. Hendrickson stated that there are 83 out of 85 loans committed in the pipeline. He also stated that they are trying to attempt to receive a report on loans in the program and hopes to be able to provide more information at the next Board meeting.

2. Action Items

2a. Extension of the 2007 Single Family

Referring to the Program Determinations, Series 2007A, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that while the Trust Indenture allows delivery of mortgage securities through September 1, 2009, the Program Determination document has a December 1, 2008 deadline. The Program Administrator generally gives the lenders a shorter time than the Trust Indenture for loan origination. This shorter

date will not be placed in a document executed by the Board in the future, or will include language that allows "extension" to date in the Trust Indenture without action from the Board. Discussion ensued and Mr. Pellot made a motion to authorize an amendment to the Program Determination to align the delivery period with the end date of the Trust Indenture. Mr. Jackson seconded the motion.

Motion passed 4-0.

2b. Extension of Preliminary Agreement (Arlington Portfolio)

Referring to the Amended and Restated Preliminary Agreement for Arlington Portfolio, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that because the developer will not close on bonds this year, an extension of the Amended and Restated Preliminary Agreement for Arlington Portfolio is required. The agreement can be extended until April 8, 2009. Discussion ensued and Mr. Jackson made a motion to extend the Amended and Restated Preliminary Agreement for Arlington Portfolio until April 8, 2009. Mr. Pellot seconded the motion.

Motion passed 4-0.

2c. Extension of Preliminary Agreement (Bennett Creek)

Referring to the Amended and Restated Preliminary Agreement for Bennett Creek, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that an extension is needed for the Amended and Restated Preliminary Agreement for Bennett Creek. He also stated that \$27,500,000 of 2008 allocation was reserved for Bennett Creek. Bond counsel has filed for validation prior to the expiration date of November 29,

2008 to keep the bond allocation in place through the end of the year, at which time an application will be filed for carry-forward. The allocation will then become non-project specific carry-forward in 2009. Discussion ensued and Mr. Jackson made a motion to extend the Amended and Restated Preliminary Agreement for Bennett Creek until May 27, 2009. Mr. Pellot seconded the motion.

Motion passed 4-0.

2d. 2009 Bond NOFA (Towers of Jacksonville)

Referring to the Detailed Analysis of Bond Application for the Towers of Jacksonville, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that a Notice of Fund Availability (NOFA) was published inviting applications from rental developments for the 2009 bond allocation. The Towers submitted their application. However, since the Towers of Jacksonville changed their bond amount, they are required to submit a new application. The evaluation is already in process and approval is needed to approve the revised application. The Board previously authorized Bond Counsel to file the appropriate paperwork to have the special federal allocation of \$13M that was received from Florida Housing forwarded to the Towers of Jacksonville. The remaining funding will come from the 2009 bond allocation. Discussion ensued about the first-come, first evaluated basis and Mr. Jackson made a motion to accept the revised Towers of Jacksonville application and remain in the evaluation process subject to conditions in the financial report. Mr. Pellot seconded the motion.

Motion passed 4-0.

2e. 2009 Bond NOFA (Mayfair Village)

Referring to the revised Detailed Analysis for the Mayfair Village Bond application, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that an application was submitted by Mayfair Village requesting financial assistance. The developer cannot close until 2010. There are already tax credits on the property and the developer cannot obtain new credits. Therefore, the bond deal cannot close until the credit period expires. Also, the developer cannot apply to Florida Housing because there is an existing LURA on the property. Mr. Hendrickson is recommending that no action be taken by the Board at this time because the developer cannot legally close until 2010. The developer for Mayfair Village can come back in 2010 and submit an application on a first come, first-evaluated basis. Discussion ensued Mr. Jackson made motion to NOT invite the application for Mayfair further into the process at this time. The developer may submit another application on a first come, first-evaluated basis. Mr. Filip seconded the motion.

Motion passed 4-0.

2f. Local Government Support for NOFA

Mr. Hendrickson stated that there was an RFP for local government support funds in the amount of up to \$4M in which four applications were submitted. The applications submitted were from the Arlington Portfolio, Bennett Creek, The Towers of Jacksonville and Mayfair Village. There is a need to issue preliminary commitments to Arlington Portfolio in the amount of \$2M, The

Towers of Jacksonville in the amount of \$1M and Bennett Creek in the amount of \$1M. Discussion ensued about the required documents and Mr. Pellet made a motion to authorize issuance of the preliminary commitment to Arlington Portfolio in the amount of \$2M, The Towers of Jacksonville in the amount of \$1M and Bennett Creek in the amount of \$1M contingent upon providing the necessary documents to complete the application evaluation process. Mr. Jackson seconded the motion.

Motion passed 4-0.

2g. Request for Removal of Letter of Credit for Courtney Manor and Sanctuary Walk

This item was removed from the agenda.

2h. Hartwood Apartments Remarketing Agent Request

This item was removed from the agenda.

3. New Business

None.

4. Old Business

None.

5. Public Comments

Shannon Nazworth from Ability Housing thanked Ms. Greger for the assistance provided in regards to Mayfair Village and looks forward to continuing to work with staff to resolve the issues in order to come back and submit another application in the future.

Adjournment. Meeting adjourned at 12:58p.m.

JACKSONVILLE HOUSING FINANCE AUTHORITY

Certification

Recorded by:

Submitted by:

Yonner Wheeler

Jim Pellot, Secretary

Approved by:

Bernard E. Smith, Chair

Exhibits

Agenda for October 15, 2008, Regular Meeting 2

Amended and Restated Preliminary Agreement for Arlington
Portfolio..... 9

Amended and Restated Preliminary Agreement for Bennett Creek . 10

Certification 14

Detailed Analysis for Mayfair Village 11

Detailed Analysis for Towers of Jacksonville 10

Director’s Report for December 2008 6

JHFA Financial Reports 5

JHFA Meeting Minutes for October 15, 2008, Regular Meeting ... 5

Legislative Updates Memorandum 6

Memorandum from Greenberg Traurig 8

Memorandum from the Hendrickson Company and Community Concepts
Group..... 8

Program Determinations, Series 2007A 9

Sign In Sheet for December 3, 2008 Regular Meeting 2