

HOUSING AND NEIGHBORHOODS DEPARTMENT



JACKSONVILLE HOUSING FINANCE AUTHORITY

# MINUTES

OF

# REGULAR MEETING

May 21, 2008

# JACKSONVILLE HOUSING FINANCE AUTHORITY

May 21, 2008

2:30 p.m.

PROCEEDINGS before the Jacksonville Housing Finance Authority taken on Wednesday, May 21, 2008, Edward Ball Building, 214 N. Hogan Street, 8<sup>th</sup> Floor, Jacksonville, Duval County, Florida commencing at approximately 2:34p.m.

## AUTHORITY MEMBERS

BERNARD E. SMITH, Chair  
CATHERINE L. CHILDERS, Member  
KEN FILIP, Member  
JIM PELLOT, Secretary

WIGHT GREGER, Director

## APPEARANCES

### **BOARD MEMBERS:**

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

### **PROFESSIONAL STAFF:**

RHONDA BOND-COLLINS, Greenberg Traurig, Inc.  
KAREN CHASTAIN, Office of General Counsel  
HELEN FEINBERG, RBC Dain Rauscher  
PRISCILLA HOWARD, Community Concepts Group  
SUSAN LEIGH, Community Concepts Group

### **STAFF:**

KANDI BEGUE  
WIGHT GREGER  
LAURA STAGNER  
YON WHEELER

### **OTHERS PRESENT:**

Patt Denihan, Ehousing Plus  
Sue Denihan, Ehousing Plus  
Richard Dillard – BNY  
Lynn Fournier, Finlay Development  
Sanford Horvitz – LISC  
Jeff Lowry - Everbank  
Shannon Nazworth – Ability Housing  
Kristen and Ameila Packard, Packard Consulting

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**PROCEEDINGS**

May 21, 2008

Regular meeting

2:30 p.m.

**Call to Order and Comments.** Chair Smith called the regular meeting to order at approximately 2:34 p.m. with a quorum present.

**Consider Approval of Minutes of April 16, 2008 of the JHFA Regular Meeting.** The first item on the agenda was the approval of the minutes of the April 16, 2008, Regular Meeting, a copy of which is attached hereto and by this reference made a part hereof. Ms. Childers made a motion to approve the minutes as amended and duly seconded by Mr. Pellot.

**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 financial activities for the month ending March 31, 2008 are available for review. She stated that there have been no significant changes for the JHFA and to contact her if there are any questions.

**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 the Legislative Update with the new format is available for review. The new format will include all of the legislative information that impacts housing regardless of the

area that generated it. This format was instituted so that the Board will have an idea of everything that is going on in the department. Any dates that are noted in red are for activities that have not happened yet. The projected calendar dates are what is anticipated for completion.

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:

- Mr. Ron Jackson's Board appointment is presently going through the legislative process. He had to resign from the Board of the JHC and will be re-appointed by the Mayor.
- Ms. Greger introduced Ms. Helen Feinberg who will be replacing Larry Flood as the Bond Underwriter representative. Ms. Feinberg gave a brief overview about the agenda on the upcoming Florida ALHFA Conference, a copy of which is attached hereto and by this reference made a part hereof. She stated that the conference will be in Orlando at the Portofino Hotel from 7/16 to 7/19. There will topics on multi-family, single-family and legislative information.
- Ms. Greger stated that JHFA Board traditionally does not have a Board meeting in July due to the conference. She wanted to poll the Board about conducting a meeting in July. Discussion ensued and the Board decided to cancel the July Board meeting. However, if there are actions pending that cannot wait until August, there will be a Board meeting on

July 23<sup>rd</sup>.

- Ms. Greger stated that staff is still working on the new legislation that is needed to define the roles and specific details in order to legally separate the JHC and JHFA Boards. Referring to the legislative memorandum JHC/JHFA marked in red version of the proposed changes, a copy of which is attached hereto and by this reference made a part hereof, the Housing Finance Agency has imposed new regulations for the SHIP program which specifies that certain industry groups be represented on the advisory Boards. She informed the Board that in order to be in compliance with the new statutory requirements, industry specific slots must be filled for the JHC Board. The department must be in compliance by June. It was staff's idea to meet those requirements with our existing Board rather than having a fourth Board to manage. Once the legislation is approved by City Council separating the JHC and JHFA Boards, there will be seven vacancies that will need to be filled on the JHC Board. No changes will take place for the JHFA Board other than the JHFA Board members will no longer sit on the JHC Board.
- Ms. Greger stated that we are in the middle of the City Council budget process. The budgets for the department have been prepared. All of the housing dollars will be submitted separately to City Council rather than be included in the Mayor's budget since the sources come from state and federal

sources. The JHFA funds will go through the Mayor's budget, as usual.

- The Jacksonville Journey meetings have been concluded. Yesterday, there was a motion made by the funding committee for the Mayor and the City Council to increase the millage rate to deal with the revenue shortfalls as well as funding the Journey.
- Ms. Leigh gave a general overview about what happened during the State Legislative Session in reference to housing. She stated that all housing-related legislation did not pass, with the exception that the Senate left \$243M of Sadowski funds in tact. At this point she is not aware as of yet of what will happen next year but will keep the Board informed as she receives more information. There is a Board Retreat scheduled in June for Florida Housing to start looking at ways to change their programs significantly. She stated that if there are any suggestions or comments, they are due for submission to Florida Housing by June 6<sup>th</sup>.

1d. Financial Advisor's Memo

Referring to the Memorandum from The Hendrickson Company and the Community Concepts Group, copies of which are attached hereto and by this reference made a part hereof. Ms. Leigh stated that the Financial Advisor's report contains information that have taken place since the last authorized Board meeting.

- In reference to Bennett Creek, the Towers of Jacksonville, and the Arlington Portfolio, none of them have progressed

further than they were at the last Board meeting. With the value of the tax credits decreasing and the credit market in general, the developers are having trouble making their deals work since the market changes have occurred when they first submitted their applications. She stated that at the June JHFA Board meeting, there will have to be a decision made in prioritizing which transaction will move the fastest. The team is still discussing ways to go about assisting the developers and will submit a report that will prioritize which transaction will have a better chance at closing their deal first at the next Board meeting.

- Ms. Bond-Collins stated that the Kimbers Cove transaction has completed its construction phase. She also stated that she will provide more information at the next Board meeting.

## **2. Action Items**

### **2a. 2008 Bond Allocation Extension**

Referring to the 2008 Bond Allocation, Ms. Bond-Collins stated that the 2008 bond allocation expires on June 5<sup>th</sup>. She recommends that the board authorize the return of the 2008 bond allocation. There is a 25 day preservation period. There will be a conditional letter that will be sent asking for a later expiration date which will be at end of the month of June. At the June Board meeting, the Board will have to make a recommendation for the allocation and the proper documents will be submitted to get the allocation back. Ms. Childers made a motion to authorize the return of the 2008 initial private

activity bond allocation to the division with the conditional request for the single-family private activity bond allocation with a later expiration date. Mr. Pellot seconded the motion.

**Motion passed 4-0.**

2b. 2006 Single Family Bond Issue

In reference to the 2006 Single Family Bond Issue, Ms. Denihan from E-Housing stated that there has been some movement of funds since the last Board meeting. She also stated that the credit world is different today and it has been difficult to get applicants approved. Because of this, the process to move funds takes a little more time. There is under \$2M left in the 2006 single-family bond issue and about \$44K remaining in second mortgage funds due to some fallouts. She stated that the mortgage rate is 5.60%. This is an excellent rate, but there is no subsidy assistance attached. The reason why the 2007 bond issue is originating at a good pace is because there are subsidy funds available at 4% plus a 6.55% first mortgage rate with zero points. Discussion ensued about adding subsidy assistance to the remaining non-assisted portion of the 2006 single-family bond issue to make it more attractive to get the funds moving along. Mr. Pellot made a motion to approve the following:

- To modify the remaining balance of the second mortgage funds for the 2006 Single Family Bond Issue to provide no more than a 4% subsidy assistance in the form of a grant to the remaining non-assisted loans. The subsidy pool shall not exceed \$85K and is to be utilized to facilitate 4% grant in

an effort to originate the remaining funds of the 2006 single family bond issue loan commitment.

- Direct the staff to work with the Bond team and the Office of General Counsel to draft the appropriate legislation to fund the \$85K for the 4% subsidy assistance. Terms shall stipulate that the grant cannot be combined with the 20% second that currently exists under the terms of the bond issue.

Mr. Filip seconded the motion.

**Motion passed 4-0.**

### **3. Discussion Items**

#### **3a. Potential Use for JHFA Loan Trust Fund**

Referring the JHFA Loan Trust Fund, Ms. Greger stated that at last month's Board meeting, staff prepared a summary of the proposed changes to the existing local government contribution and the JHFA Loan Trust Fund ordinances in order to be more flexible and more responsive to the FHFC housing programs. Both of those funds have a Letter of Credit (LOC) provision that are currently going through legislative process to be removed. Once the LOC provisions are removed, staff needs to decide what can be recommended as the best use for the JHFA Loan Trust Fund by initiating an RFP to move funds to any potential multi-family deal. No final decisions have been made and she will keep the board updated as information is available.

#### **3b. Monitoring Changes**

Ms. Greger stated that staff is still having some internal

discussions for exploring some alternative methods in making sure that there is no lapse in the responsibilities for monitoring the bond properties. She will keep the Board updated as information becomes available.

**4. New Business**

None.

**5. Old Business**

None.

**6. Public Comments**

None.

**Adjournment.** Meeting adjourned at 3:38p.m.

**JACKSONVILLE HOUSING FINANCE AUTHORITY**

**Certification**

**Recorded by:**

**Submitted by:**

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**Yonner Wheeler**

**Jim Pellot, Secretary**

**Approved by:**

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**Bernard E. Smith, Chair**

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