

HOUSING AND NEIGHBORHOODS DEPARTMENT



JACKSONVILLE HOUSING FINANCE AUTHORITY

MINUTES

OF

REGULAR MEETING

October 15, 2008

JACKSONVILLE HOUSING FINANCE AUTHORITY

October 15, 2008

12:00 p.m.

PROCEEDINGS before the Jacksonville Housing Finance Authority taken on Wednesday, October 15, 2008, Edward Ball Building, 214 N. Hogan Street, 8th Floor, Jacksonville, Duval County, Florida commencing at approximately 12:00p.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,
KEN FILIP, Member
RONALD JACKSON, Member
JIM PELLOT, Member.....absent

PROFESSIONAL STAFF:

RHONDA BOND-COLLINS, Greenberg Traurig, Inc.
KAREN CHASTAIN, Office of General Counsel
HELEN FEINBERG, RBC Dain Rauscher
MARK HENDRICKSON, The Hendrickson Company
PRISCILLA HOWARD, Community Concepts Group
CALVIN JOHNSON, Calvin C. Johnson, CPA
SUSAN LEIGH, Community Concepts Group

STAFF:

WIGHT GREGER, Director
DARRELL GRIFFIN
KANDI BEGUE
LAURA STAGNER
NANCY WESTCOTT
YON WHEELER

OTHERS PRESENT:

Lynn Fournier, Finlay Development
Sanford Horvitz – LISC
Mike Moore, City Development
Ronald Pauline – Metro North CDC

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PROCEEDINGS

October 15, 2008

Regular meeting

12:00 p.m.

Call to Order and Comments. Chair Smith called the regular meeting to order at approximately 12:00 p.m. with a quorum present.

Consider Approval of Minutes of September 17, 2008 of the JHFA

Regular Meeting. The first item on the agenda was the approval of the minutes of the September 17, 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. Mr. Pellot seconded the motion.

Motion Passed 5-0.

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 August 31, 2008 are available for review. She stated that hopefully by the next authorized Board meeting, the preliminary numbers for year ending September 30th will be presented.

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 all of the items that were presented to City Council were approved yesterday. The Jacksonville Housing Finance Authority (JHFA) and the Jacksonville Housing and Community

Development Commission (JHCDC) are officially two separate entities. The Board members of the JHFA no longer preside on the JHCDC Board.

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:

- Ms. Greger stated that since the JHFA and JHCDC are now separate entities, there are 5 industry specific slots available for the JHCDC Board. She requested that the Board refer any recommendation to her for review.
- Referring to the Neighborhood Stabilization Program (NSP) Summary, a copy of which is attached hereto and by this reference made a part hereof. 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. Staff is preparing a plan which is due to HUD on December 1st. Ms. Greger stated that she along with staff will be attending the NSP training in Orlando tomorrow to learn more about what data sets are required to use in terms of target areas and reporting. Ms. Greger also stated that new staff will be hired to assist in the process of the NSP.

- Ms. Greger stated that Ms. Green has resigned as Chief of the Housing Neighborhoods Department. She will be signing on as an employee of HUD. Mr. Pinnix resigned as Chief of the Community and Development Division. He will be still working for the City in the Emergency Resources Management Department dealing with the Brownsfield program. Advertising for these two positions are now in process.

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 Arlington Portfolio, Mr. Hendrickson stated that all multi-family deals are in a holding pattern until the capital market sorts itself out. There was a checklist performed and it was determined that Arlington did not pay fees that were required in the Preliminary Agreement. The fees have been paid since last Friday and Arlington is now in compliance.
- Mr. Hendrickson stated that the bonus allocation in the amount of \$13M has been received from Florida Housing. He stated that the funds have to be reserved by December 15th or it will go back to Florida Housing. Bond Counsel plans to file the appropriate paperwork to have the allocation

assigned to the Towers of Jacksonville. The remainder of the funds will come from the 2009 bond allocation.

- Mr. Hendrickson stated that there have been no significant changes regarding Bennett Creek.
- Mr. Hendrickson stated that because the Towers of Jacksonville changed their bond amount, they are required to submit a new application. The application has been received along with another application. The professional team is in the process of analyzing the applications for presentation at the next Board meeting.
- Referring to the 2006 Single Family program, Mr. Hendrickson stated that there are \$924K of loans in the pipeline for bond money which includes the appropriation with the 4% down payment.
- Mr. Hendrickson stated that the 2007 Single Family program is moving along well. There are \$2.9M left that is reserved for the target area. The target area funds are due to expire on October 31, 2008 and will be available county-wide.
- Ms. Greger stated that two request were received asking for the removal of the Letter of Credit (LOC). One was from the developer for Courtney Manor and the other was from the developer for Sanctuary Walk. There was a letter sent to both developers requesting more information in order to be eligible for consideration for the release of the LOC. The information provided is insufficient. The developers have to demonstrate what the valid purpose would be that the removal

of the LOC is beneficial to the public. Those issues were not address from either developer. It is staff's recommendation that the request not be granted pending more information to be analyzed.

- Mr. Hendrickson stated that North Shore Commons is in the process of developing a shopping center on the corner of 48th and Main Street. It is a re-development that would demolish the existing facility and replace it with a combination of commercial properties including a grocery store, day-care center and 216 new apartment units. Ms. Greger stated that it is a 15-acre site with potential. It is across the street from schools. It has its infrastructure in place and is properly zoned. However, the parcel has multiple owners and they are in the process of acquiring it. Hopefully, there will be a full analysis available at the next Board meeting for review.

2. Action Items

None.

3. New Business

3a. Homeowner 2007 A-1 and A-2 Bond Program Financial Statement Audit

Referring to the Homeowner 2007 A-1 and A-2 Bond Program Audit, a copy of which is attached hereto and by this reference made a part hereof, Mr. Johnson stated that the program is in sound financial condition. As of April 1, 2008, there are a total of net assets over \$206K and current liabilities are \$419K. Mr. Johnson stated

that the current liability amount is high. The major portion of \$312K is the liability to the Authority for the remaining second mortgage monies that were unused. The program is accruing a liability for rebate. The amount of the operating income is (-\$80K). This does not indicate a problem. The program is operating as it was structured. The (-\$80K) consist of the issuer fees that were paid to the authority. The issuer fees for 2008 were \$115K. The two primary components are fees that the Authority receives whenever a mortgage certificate is purchased by the program and when a second mortgage is issued. Once the program goes beyond the mortgage certificate acquisition period, the fees will not be incurred by the program.

3b. Homeowner 2006A Bond Program Financial Statement Audit

Referring to the Homeowner 2006A Bond Program Audit, a copy of which is attached hereto and by this reference made a part hereof, Mr. Johnson stated that the program is in sound financial condition. As of April 1, 2008, the program totaled over \$882K in net assets. Mr. Johnson explained why the net assets were so high. He also stated that he had no comments in the report of internal control. The program is functioning as intended.

4. Old Business

4a. Local Government Support NOFA/RFA (Update)

Ms. Greger stated that NOFA/RFA for the Local Government Support Application was posted on the Department's website this morning with a due date of November 14th. Ms. Greger stated that information will be presented at the next Board meeting regarding applications.

4b. AIG Investment Agreement for Mortgage Revenue Bonds, Series 2000 (Update)

Referring to the AIG Investment Agreement for the 2000 Mortgage Revenue Bonds, Mr. Hendrickson stated that the professional team decided to let the investment lapse. He stated that the risk of losing the principal out weighed keeping the risk of the investment at a higher rate of interest.

5. Public Comments

None.

Adjournment. Meeting adjourned at 1:07p.m.

JACKSONVILLE HOUSING FINANCE AUTHORITY

Certification

Recorded by:

Submitted by:

Yonner Wheeler

Jim Pellot, Secretary

Approved by:

Bernard E. Smith, Chair

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