



**Jacksonville Housing Finance Authority**  
**Board of Directors Meeting**  
**February 16, 2011**  
**12:00 Noon**

**AGENDA**

Call Meeting to Order  
Approval of Minutes for January 19, 2011

**Bernard E. Smith**  
**JHFA Board**

|             |   | <u>Pages</u>                                     |
|-------------|---|--|
| <b>I.</b>   | <b><u>REPORTS</u></b>   |  |
| A.          | Financial Report  | Laura Stagner<br>Wight Greger<br><b>13 of 38</b> |
| B.          | Director's Report (verbal)  |  |
| C.          | Financial Advisor Memo  | Mark Hendrickson<br><b>16 of 38</b>              |
| <b>II.</b>  | <b><u>ACTION ITEMS</u></b>  |  |
| A.          | Ratification of Preliminary Agreement for Refunding Transaction for Lindsey Terrace and Kendall Court | Mark Hendrickson<br><b>30 of 38</b>              |
| B.          | Extension of Single Family Program  | Mark Hendrickson<br><b>37 of 38</b>              |
| C.          | Approval of loan terms for Madison Woods Restructure  | Mark Hendrickson<br><b>38 of 38</b>              |
| <b>III.</b> | <b><u>NEW BUSINESS</u></b>  |  |
|             | None.   |  |
| <b>IV.</b>  | <b><u>OLD BUSINESS</u></b>  |  |
|             | None.   |  |

Public Comments

HOUSING AND NEIGHBORHOODS DEPARTMENT



JACKSONVILLE HOUSING FINANCE AUTHORITY

**MINUTES**

**OF**

**REGULAR MEETING**

January 19, 2011

# **JACKSONVILLE HOUSING FINANCE AUTHORITY**

**January 19, 2011**

**12:00 p.m.**

**PROCEEDINGS before the Jacksonville Housing Finance Authority taken on Wednesday, January 19, 2011, Edward Ball Building, 214 N. Hogan Street, 8<sup>th</sup> Floor, Jacksonville, Duval County, Florida commencing at approximately 12:07p.m.**

## **AUTHORITY MEMBERS**

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

**WIGHT GREGER, Director**

## APPEARANCES

### BOARD MEMBERS:

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

### PROFESSIONAL STAFF:

KAREN CHASTAIN, Office of General Counsel  
RHONDA BOND-COLLINS, Greenberg Traurig, Inc.  
PATT DENIHAN, Ehousing 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  
JANE BOUDA  
GREG HERZOG  
AMY ROBINSON  
LAURA STAGNER  
YON WHEELER

### OTHERS PRESENT:

Richard Dillard, BNY Mellon  
Jim Dyal, New Vision Communities  
Steve Frick, Vestcor  
R. Harris, Liberty Center  
S. Horvitz, LISC

**PROCEEDINGS**

January 19, 2011

Regular meeting

12:00 p.m.

**Call to Order and Comments.** Chair Smith called the regular meeting to order at approximately 12:07 p.m. with a quorum present.

**Consider Approval of Minutes of November 17, 2011 of the JHFA**

**Regular Meeting.** The first item on the agenda was the approval of the minutes of the November 17, 2011, 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 and Mr. Pellet seconded the motion.

**Motion Passed 4-0.**

**1. Reports**

**1a. Financial Report**

Regarding the Financial Report, a copy of which is attached hereto and by this reference made a part hereof. Ms. Stagner stated that the balance sheets and the results of the financial operations through December 31<sup>st</sup> are available for review. She also stated that the JHFA are now at less than 25% of projected expenditures for the year and to contact her if there are any questions.

**1b. Director's Report**

Ms. Greger gave brief updates on items that are going through the legislative process. She stated that the loan restructuring for Hubbard House, the reappointment of Ron Jackson for the JHFA Board and the Courtney Manor request are scheduled for City Council approval on February 8<sup>th</sup> provided that go through City committees

successfully. She also stated that Nancy Westcott resigned from the City of Jacksonville and that Ms. Bouda and Mr. Herzog will be taking over the Compliance efforts for the department.

1c. Financial Advisor Memo

Referring to the Financial Advisor's Report from The Hendrickson Company and Community Concepts Group, copies of which are attached hereto and by this reference made a part hereof. Mr. Hendrickson gave brief updates on the 2010 Single Family Program, Lenox Court, FHFC Rulemaking and the Occupancy Report. He also stated that Bennett Creek closed on December 16, 2010 and construction will be moving forward soon.

**2. Action Item**

2a. Approval for Liberty Center Restructuring Request

Referring to the letter from Liberty Center for the Homeless, Inc. (Liberty Center), a copy of which is attached hereto and by this reference made a part hereof. Ms. Stagner stated that the DCHFA funded a loan to Liberty Center in the amount of \$500K in 1995. This loan was secured by a note and a mortgage that was originally amortized over a 30-year period with a 15-year balloon. The loan is due in full on December 1, 2010. The borrower has requested an extension of the re-payment period for 10 years of the amortization at an appropriate monthly P&I payment amount of \$2,845.08. All other terms of the note and mortgage will remain the same. The borrower has agreed to pay all reasonable cost associated with the restructuring of the note and the mortgage. Discussion ensued about the remaining balance, interest rate and payment history. Ms. Childers made a motion to approve the loan

extension request for Liberty Center to extend the re-payment period for the next 10 years at the current rate. Mr. Filip seconded the motion.

**Motion passed 4-0.**

2b. Preliminary Agreement Extension for Arlington

Referring to the Preliminary Agreement for Arlington Portfolio, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that Arlington has been unsuccessful in obtaining credit enhancements. The developer is proposing a financing plan that involves taxable bonds and a significantly reduced level of rehabilitation. The new proposal reduces the proposed rehabilitation of the development to only \$8,600 per unit from \$20,861 per unit whereas HUD's estimated necessary repairs are rated at \$30,000 per unit. Ms. Feinberg stated that she does not believe that the proposed financing structure would be marketable and that conventional financing would be more efficient than taxable bonds. Mr. Hendrickson stated that since the developer has been unable to obtain credit enhancement on the proposed bonds and the proposed alternative financing plan is not economically sound, he recommends that the Board take no action to extend the Preliminary Agreement for Arlington Portfolio. Discussion ensued and the Board agreed to take no action unless the developer provides a viable financing plan and have available bond allocation.

**No Action.**

2c. Preliminary Agreement Extension for Hollybrook

Referring to the Preliminary Agreement for Hollybrook, a copy of

which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that Hollybrook is still actively pursuing financing and credit enhancements. Regarding the environmental problems with the soil at the site, the developer has addressed those issues successfully and they are seeking an extension of their Preliminary Commitment. Mr. Hendrickson stated that he recommends that the Board approve the extension of the Preliminary Agreement to December 31, 2011 as well as an authorization of a new TEFRA hearing during the calendar year if necessary. Discussion ensued about the environmental issues and Mr. Filip made a motion to approve the following:

- Grant an extension of the Preliminary Agreement for Hollybrook until December 31, 2011.
- Authorize a new TEFRA Hearing if necessary during the calendar year.

Ms. Childers seconded the motion.

**Motion passed 4-0.**

2d. Preliminary Agreement Extension for Savannah Springs

Referring to the Preliminary Agreement for Savannah Springs II, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that Savannah Springs was supposed to close in December 2010, but had to be postponed due to the developer's decision to not accept the conditions of the Wells Fargo commitment. The developer needed more time to negotiate the terms with the credit enhancer and requested that their Preliminary Commitment be extended. Discussion ensued about the timing issue and Mr. Pellet made a motion to extend the

Preliminary Agreement for Savannah Springs II until December 31, 2011. Mr. Filip seconded the motion.

**Motion passed 4-0.**

2e. Preliminary Agreement Extension for Pine Grove

Referring to the Preliminary Agreement for Pine Grove, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that the developers for Pine Grove are still working actively to receive credit enhancements and recommend that their Preliminary Commitment be extended until December 31, 2011. He also recommends the authorization of a TEFRA hearing if necessary. Discussion ensued and Mr. Filip made a motion to approve the following:

- Grant an extension of the Preliminary Agreement for Pine Grove until December 31, 2011.
- Authorize a new TEFRA Hearing if necessary during the calendar year.

Ms. Childers seconded the motion.

**Motion passed 4-0.**

2f. Approval of new TEFRA for 2011 Single Family

Referring to the Resolution for the 2011 Single Family Homeowner Mortgage Revenue Bonds, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that the 2011 allocation is \$40,535,897 which is an increase of 7.5% over year 2010. Prior to June 7, 2011 the JHFA will have to reassign the allocation to multi-family developments or return the allocation to the Division of Bond Finance and request a new

single family allocation with a later expiration date. In either event, the JHFA may have to file a validation complaint to toll the expiration date of the 2011 allocation. For the additional \$15M 2011 allocation, a new TEFRA approval is required. Discussion ensued and Ms. Childers made a motion to approve the Resolution for the Single Family Bond Issue not to exceed \$15M as well as authorize staff to conduct a new TEFRA hearing. Mr. Pellot seconded the motion.

**Motion passed 4-0.**

2g. Approval for Cedars at Baymedows

Referring to the letter from the NHP Foundation regarding Eagles Pointe North and Cedars at Baymeadows, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that in October 2010, the Board approved the transfer and release of Eagles Pointe subject to the consent of the bond holders, new owners and the management company, payment of all fees due to the JHFA and its professionals and approval of all documents by legal counsel and bond counsel. As of today, the buyer of Eagles Pointe has indicated that they now plan to purchase both properties which will retire the bonds. However, they cannot guarantee that purchase will happen at the same time. The owners have requested approval of the sale of Cedars at Baymeadows subject to the same conditions as the approval of the sale of Eagles Pointe. Discussion ensued and Mr. Pellot made a motion to approve the transfer and release of Cedars at Baymeadows subject to the following:

- Consent of the bond holders, new owners and the management

company.

- Payment of all fees due to the JHFA and its professionals.
- Approval of all documents by legal counsel and bond counsel.

Ms. Childers seconded the motion.

**Motion passed 4-0.**

2h. Approval of Extension Commitment for Marcis Pointe

Referring to the Preliminary Agreement for Marcis Pointe, a copy of which is attached hereto and by this reference made a part hereof. Mr. Hendrickson stated that the loan commitment for Marcis Pointe expired on December 31, 2010 and the developer was not timely in making the request for the extension. Although the developer closed on its other financing before that date, the owner is requesting an extension of their loan commitment. The JHFA loan is a condition of both the first mortgage financing and the HC equity agreement meaning that they must be closed before the final 50% of the first mortgage and the 5<sup>th</sup> HC installment can be funded. Mr. Hendrickson stated that since the owner has closed on all other loan commitments, he recommends that the Board extend their loan commitment until February 28, 2011.

Mr. Dyal who is the developer for Marcis Pointe gave a brief description of the project and about its location. He also gave an explanation about their Counsel not requesting the extension in a timely manner. However, they expect to close within the next couple of weeks. Discussion ensued and Mr. Filip made a motion to extend the loan commitment for Marcis Pointe until February 28, 2011. Mr. Pellot seconded the motion.

**Motion passed 4-0.**

**3. New Business**

None.

**4. Old Business**

None.

**5. Public Comments**

Steve Frick with the Vestcor Company gave an update regarding Lindsey Terrace and Kendall Court. He stated that Fannie Mae is requiring that they put these two developments into one bond issue. This has caused some trouble because Lindsey Terrace is a local bond issue and Kendall Court is a State bond issue. After approaching the JHFA about both developments it was noted that a combined bond issue will not be acceptable. They contacted FHFC for assistance, but there have been some complications with underwriting as well as receiving Board approvals. As an alternative, they contacted the Public Finance Authority in Wisconsin who has the capability of issuing bonds nationwide. Mr. Frick also stated that if they cannot get a workout with Florida Housing they will utilize the services of the Wisconsin Authority and it is a high probability that they will be coming back to the Board for an approval to allow the Wisconsin Authority to come into Florida to issue the bonds. He also stated that there is no risk to the JHFA and will keep everyone informed of how they are progressing.

**Adjournment.** Meeting adjourned at 1:08p.m.

**JACKSONVILLE HOUSING FINANCE AUTHORITY**

**Certification**

**Recorded by:**

**Submitted by:**

---

**Yonner Wheeler**

---

**Jim Pellot, Secretary**

**Approved by:**

---

**Bernard E. Smith, Chair**

**BOARD MEETING  
SUBMISSION FORM**

*(All information must be completed prior to Submission)*

**AGENDA NAME: Financial Report**

*(This is the name of the item to place on the Agenda)*

**Today's Date: 02/08/2011**

**Please check only one:**     JHFA                       JHCDC                       NWJEDF

**Please check only one:**  
 ACTION ITEM

Reports     Staff Reports     Committee Reports     New Business     Old Business

**Name of Person/s that will be presenting item at the meeting: Laura Stagner-Crites**

**Background/Description: Financial Report for the Period Ending January 31, 2011**

**Are funds available for this item (if applicable):**     Yes     No     N/A

*Finance Director Signature*

**RECOMMENDATION: None**

\*\*\*\*\*

**ATTACHMENTS  
(Check Here if N/A  )**

|   |   |
|---|---|
| <p align="center">Name of Attachment1<br/>JHFA Combining Balance Sheet 2011.01.31</p> <p align="center">Name of Person/s responsible for submitting attachment<br/>Laura Stagner-Crites</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> | <p align="center">Name of Attachment2<br/>JHFA Combining Operating Statement 2011.01.31</p> <p align="center">Name of Person/s responsible for submitting attachment<br/>Laura Stagner-Crites</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> |
| <p align="center">Name of Attachment3</p> <p align="center">Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p>   | <p align="center">Name of Attachment4</p> <p align="center">Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p>   |

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Other: \_\_\_\_\_ Quorum # \_\_\_\_\_

*Motion Note:*

**JACKSONVILLE HOUSING FINANCE AUTHORITY  
COMBINING BALANCE SHEET  
JANUARY 31, 2011**

| <b>JACKSONVILLE HOUSING FINANCE AUTHORITY</b> |                      |                      |                        |                   |
|---|----------------------|----------------------|------------------------|-------------------|
|   | 721                  | 722                  | 723                    | TOTAL             |
|   | Operating Funds      | Tax Credit Funds     | Loan Trust Fund        |                   |
| <b>ASSETS</b>                                 |                      |                      |                        |                   |
| Equity in Cash and Investments.....           | 2,768,660            | 1,196,874            | 3,112,920              | 7,078,454         |
| Cash in Escrow and with Fiscal Agents.....    | 93,453               | -                    | -                      | 93,453            |
| Receivables (Net of Allowances).....          | 7,108,763            | 5,961,912            | -                      | 13,070,675        |
| Deferred Charges .....                        | -                    | 218,000 <sup>B</sup> | 2,000,000 <sup>C</sup> | 2,218,000         |
| Other Assets.....                             | 109,773 <sup>A</sup> | -                    | -                      | 109,773           |
| <b>TOTAL ASSETS.....</b>                      | <b>10,080,649</b>    | <b>7,376,785</b>     | <b>5,112,920</b>       | <b>22,570,354</b> |

**LIABILITIES AND FUND BALANCES**

|   |          |                      |                        |                  |
|---|----------|----------------------|------------------------|------------------|
| <b>LIABILITIES:</b>                           |          |                      |                        |                  |
| Accounts Payable and Accrued Liabilities..... | -        | -                    | -                      | -                |
| Deposits.....                                 | -        | -                    | -                      | -                |
| Deferred Revenue.....                         | -        | -                    | -                      | -                |
| Loan Pre-Commitments.....                     | -        | 218,000 <sup>B</sup> | 2,000,000 <sup>C</sup> | 2,218,000        |
| <b>TOTAL LIABILITIES.....</b>                 | <b>-</b> | <b>218,000</b>       | <b>2,000,000</b>       | <b>2,218,000</b> |

**FUND BALANCES:**

|   |                   |                  |                  |                   |
|---|-------------------|------------------|------------------|-------------------|
| Reserved for:                                   |                   |                  |                  |                   |
| Encumbrances.....                               | 70,701            | -                | -                | 70,701            |
| Cash in Escrow.....                             | -                 | -                | -                | -                 |
| Mortgages Receivable.....                       | 6,912,363         | 4,971,103        | -                | 11,883,466        |
| Appropriated.....                               | (291,763)         | -                | -                | (291,763)         |
| All Other Reserves.....                         | 39,910            | -                | -                | 39,910            |
| Unreserved:                                     |                   |                  |                  |                   |
| Designated.....                                 | -                 | -                | 2,000,000        | 2,000,000         |
| Undesignated (deficit).....                     | 3,041,273         | 2,183,929        | 1,113,166        | 6,338,368         |
| Current Year Operating Excess (Deficit).....    | 308,165           | 3,753            | (246)            | 311,672           |
| Total Fund Balances.....                        | <b>10,080,649</b> | <b>7,158,785</b> | <b>3,112,920</b> | <b>20,352,354</b> |
| <b>TOTAL LIABILITIES AND FUND BALANCES.....</b> | <b>10,080,649</b> | <b>7,376,785</b> | <b>5,112,920</b> | <b>22,570,354</b> |

A - Prepaid Items Consists of 4% Subsidy Funds on Deposit with Trustee (SF2009)

B - Marcis Pointe Loan Commitment

C - Hollybrook Loan Commitment

Unaudited

Printed 2/8/2011 at 10:06 AM

**JACKSONVILLE HOUSING FINANCE AUTHORITY  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE MONTH ENDED JANUARY 31, 2011**

|  | JACKSONVILLE HOUSING FINANCE AUTHORITY |                         |                        |          | TOTAL          |
|--|--|-------------------------|------------------------|----------|----------------|
|  | 721<br>Operating Funds                 | 722<br>Tax Credit Funds | 723<br>Loan Trust Fund |          |                |
| <b>REVENUE:</b>  |  |                         |                        |          |                |
| From Federal Grant Sources.....  | -                                      | -                       | -                      | -        | -              |
| From State Grant Sources.....  | -                                      | -                       | -                      | -        | -              |
| From Recaptured Grant Funds.....   | -                                      | -                       | -                      | -        | -              |
| From Bond Sources.....   | 179,751                                | -                       | -                      | -        | 179,751        |
| From Investment & Interest Income.....                                       | 24,844                                 | 3,753                   | (246)                  | -        | 28,351         |
| From Other Sources.....  | 2,921                                  | -                       | -                      | -        | 2,921          |
| <b>Total Revenue.....</b>  | <b>207,516</b>                         | <b>3,753</b>            | <b>(246)</b>           | <b>-</b> | <b>211,023</b> |
| <b>EXPENDITURES:</b>   |  |                         |                        |          |                |
| For Program Uses.....  | -                                      | -                       | -                      | -        | -              |
| For Personnel Expenses.....  | 73,440                                 | -                       | -                      | -        | 73,440         |
| For Operating Expenses.....  | 46,972                                 | -                       | -                      | -        | 46,972         |
| For Other Expenses.....  | -                                      | -                       | -                      | -        | -              |
| <b>Total Expenditures.....</b>   | <b>120,412</b>                         | <b>-</b>                | <b>-</b>               | <b>-</b> | <b>120,412</b> |
| <b>ENCUMBRANCES:</b>   |  |                         |                        |          |                |
| For Program Uses.....  | -                                      | -                       | -                      | -        | -              |
| For Personnel Expenses.....  | -                                      | -                       | -                      | -        | -              |
| For Operating Expenses.....  | 70,702                                 | -                       | -                      | -        | 70,702         |
| For Other Expenses.....  | -                                      | -                       | -                      | -        | -              |
| <b>Total Encumbrances.....</b>   | <b>70,702</b>                          | <b>-</b>                | <b>-</b>               | <b>-</b> | <b>70,702</b>  |
| <b>EXCESS OF REVENUE OVER (UNDER)<br/>EXPENDITURES AND ENCUMBRANCES.....</b> | <b>16,402</b>                          | <b>3,753</b>            | <b>(246)</b>           | <b>-</b> | <b>19,909</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                                       |  |                         |                        |          |                |
| Transfers In.....  | -                                      | -                       | -                      | -        | -              |
| Transfers Out.....   | -                                      | -                       | -                      | -        | -              |
| Transfers from Fund Balance.....   | 291,763                                | -                       | -                      | -        | 291,763        |
| <b>Total Other Financing Sources (Uses).....</b>                             | <b>291,763</b>                         | <b>-</b>                | <b>-</b>               | <b>-</b> | <b>291,763</b> |
| <b>NET CHANGE IN FUND BALANCES.....</b>                                      | <b>308,165</b>                         | <b>3,753</b>            | <b>(246)</b>           | <b>-</b> | <b>311,672</b> |
| Includes Prior Year Encumbrances of  | -                                      | -                       | -                      | -        | -              |
| <b>NET CHANGE IN FUND BALANCES (Current Year)</b>                            | <b>308,165</b>                         | <b>3,753</b>            | <b>(246)</b>           | <b>-</b> | <b>311,672</b> |

**BOARD MEETING  
SUBMISSION FORM**

*(All information must be completed prior to Submission)*

**AGENDA NAME: Financial Advisor's Memorandum**

*(This is the name of the item to place on the Agenda)*

**Today's Date: 2-8-11**

**Please check only one:**       JHFA                       JHCDC                       NWJEDF

**Please check only one:**

ACTION ITEM

Reports       Staff Reports       Committee Reports       New Business       Old Business

**Name of Person/s that will be presenting item at the meeting:**

**Background/Description:** Each month, the action and informational items before the Board are detailed in the FA Memo. There are multiple action items, plus discussion items, in the memorandum. Each action item will have its own Submission Form

**Are funds available for this item (if applicable):**     Yes     No     N/A

\_\_\_\_\_ *Finance Director Signature*

**RECOMMENDATION: Consider approval of recommendations in FA Memo.**

\*\*\*\*\*

**ATTACHMENTS  
(Check Here if N/A  )**

|  |  |
|--|--|
| <p align="center">Name of Attachment1<br/>FA Memo</p> <p>Name of Person/s responsible for submitting attachment<br/>Mark Hendrickson</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> | <p align="center">Name of Attachment2</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |
| <p align="center">Name of Attachment3</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p>   | <p align="center">Name of Attachment4</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Other: \_\_\_\_\_ Quorum # \_\_\_\_\_

*Motion Note:*

**THE HENDRICKSON COMPANY &  
THE COMMUNITY CONCEPTS GROUP**

---

To: Board of Directors, Jacksonville Housing Finance Authority  
From: Mark Hendrickson, Susan Leigh and Priscilla Howard, Financial Advisors  
Subject: Update for February 16, 2011 Board Meeting  
Date: February 8, 2011

**I. Lindsey Terrace and Kendall Court—Action: Approval of Preliminary Agreement**

1. Lindsey Terrace was financed by the Duval County HFA in 2001. Kendall Court was financed by the Florida Housing Finance Corporation.
2. Both transactions are credit enhanced by Fannie Mae, and both are financially troubled.
3. The owner (Vestcor) and Fannie Mae have reached an agreement for a workout, wherein the bonds for both deals would be simultaneously refunded to a floating rate, with any cash flow dedicated to reduction of bond principal.
4. Under state law, local HFA's are not permitted to refund bonds originally issued by FHFC. Alternatively, FHFC could not move in an expeditious manner to refund both bond deals. Accordingly, a Wisconsin entity known as the Public Finance Authority is proposed as the issuer of the refunding bonds for both deals. As part of the refunding, the existing JHFA bonds would be paid in full and redeemed.
5. City Council approval is needed for the Wisconsin entity to refund the bonds. Legislation is moving through Council.
6. To protect the Authority and the public interest, bond counsel has drafted a Preliminary Agreement between the owner and the JHFA wherein ongoing compliance monitoring, continuation of the provisions of the LURA, legality of the bond issue, fees of the Authority, and other matters are addressed.
7. **Recommendation:** Approve Preliminary Agreement prepared by bond counsel.

**II. 2010 Single Family Program (NIBP)—Action: Extension of Program**

**A. Background**

1. The \$15 million NIBP bond issue closed in escrow January 12, 2010. \$12 million is available anywhere in Duval County and \$3 million is available only in target areas through February 2, 2011. The bonds closed November 23, 2010 (roll-out).
2. The initial mortgage rate was 5.20%, with 4% of downpayment assistance available for each loan. The program servicer is US Bank. The rate was reduced to 3.99% for applications taken after September 27.

3. To date, 146 loans (+12) with a total mortgage amount of \$19,359,240 are closed or in process. MBS containing 43 loans were sold. Since the rate was reduced, 69 loans totaling \$9,050,607 entered the pipeline.

| Allocation   | MBS Sold       | Purchased       | Compliance Approved | UW/ Compliance Review | Reservation    | Total Allocated | Remaining Allocation |
|--------------|----------------|-----------------|---------------------|-----------------------|----------------|-----------------|----------------------|
| \$15,000,000 | \$5,740,741    | \$9,388,457     | \$599,057           | \$1,745,031           | \$1,885,954    | \$19,359,240    | \$1,381,501          |
|              | 43 loans<br>+0 | 71 loans<br>+21 | 5 loans<br>-7       | 12 loans<br>-3        | 15 loans<br>+1 | 129%<br>+9%     |                      |

Note: Full origination will now be \$20,740,741, or 138% of original \$15 million

4. The program profile:

| Loans     | Sales Price | Loan Amount | Income   | Family Size | Age  | Race   | New or Existing  | Head of Household/ Marital Status                       |
|-----------|-------------|-------------|----------|-------------|------|--|--|---|
| 123 (+22) | \$136,553   | \$132,597   | \$57,854 | 2.2         | 35.6 | White: 40%<br>Black: 46%<br>Hispanic: 9%<br>Asian: 3%<br>Other: 3% | 22% New<br>86% SF<br>6% Condo<br>8% THome<br>1% Manufac. | 45% Female<br>40% Married<br>58% Single<br>2% Single HH |

5. Seven lenders originated loans in this program:

BB&T (46)      Bank of America (17)      DHI (25)      First Bank (16)  
MFC (1)      UAMC (16)      Watson (25)

**B. Present Situation**

- As a result of the successful sale of MBS in the program, another \$5.7 million of loans can be originated without issuing additional bonds (\$2.9 million already in the pipeline).
- As a result of various rate relocks, the mortgage rate for loans entering the pipeline after September 27 later was lowered to 3.99%.
- The target area funds have been released, but are not fully utilized. In order to achieve full origination, the program needs to be extended. The professional team recommends an extension to the latest date possible wherein the existing negative arbitrage budget will cover those costs—reducing costs of an extension to bond counsel opinion (\$5,000) and rating agency (\$1,000). That date will be determined when the cash flows are run—however, in the interim, a date certain for the extension is required.

**C. Recommendations:**

- Approve the extension of the non-origination call date to August 1, 2011;
- Authorize the Chairman, Secretary, Executive Director, or Assistant Secretary to execute the necessary documents in connection with the extension of the delivery period and call date; and,
- Authorize the HFA's professionals to take the necessary actions to assist the Authority with the extension of the delivery period and call date.

## V. Update on Rental Financings—Informational

### A. Background

#### 1. Summary of active bond applications:

|   | Hollybrook Homes   | Pine Grove  | Savannah Springs Phase II  |
|---|--|---|--|
| <b>Developer</b>                          | National Housing Trust<br>Washington, DC                               | Richman Group<br>Greenwich, CT & Delray Beach, FL   | Richman Group<br>Greenwich, CT & Delray Beach, FL  |
| <b>Development Location</b>               | 104 King Street<br>(between W. Beaver and McCoy Creek, East of McDuff) | 1659 Woods Walk Court<br>(Powers Blvd. approximately 0.75 miles south of University Blvd.)    | 6945 Morse Avenue<br>(N.E. corner of Morse & Firestone, immediately west of I-295.)      |
| <b>Bond Amount</b>                        | \$10,000,000   | \$11,480,000  | \$6,660,000  |
| <b>Units</b>                              | 182  | 168   | 96   |
| <b>Local Government Loan</b>              | \$2,000,000  | \$0   | \$0  |
| <b>Development Info</b>                   | Acquisition and Rehabilitation Family                                  | New Construction Family   | New Construction Family  |
| <b>Development Status</b>                 | Beginning Process  | Building permits approved; DEP permits in place   | Ready to Close   |
| <b>TEFRA Hearing &amp; TEFRA Approval</b> | 4-16-10<br>5-25-10   | 1-15-10<br>2-23-10  | 6-10-10<br>8-24-10   |
| <b>Preliminary Agreement Expiration</b>   | 12-31-11   | 12-31-11  | 12-31-11   |
| <b>Credit Enhancement/</b>                | Private Placement Preliminary Commitment                               | Freddie Mac/CW Capital (no commitment)<br>Issues with market delaying Freddie Mac application | Freddie Mac/Wells Fargo Commitment received<br>December 2010<br>Developer rejected terms |
| <b>Housing Equity</b>                     | Bank of America  | Richman Capital   | Richman Capital  |
| <b>Credit Underwriter</b>                 | AmeriNational  | TBD   | AmeriNational  |
| <b>Anticipated Closing Date</b>           | 2011   | TBD   | TBD  |

- The original \$29.7 million NIBP bond issue closed in escrow January 12, 2010. The long term bond rate was locked at 3.60%, plus 60 basis points. The rate was re-locked on September 1, 2010 at 2.47% (plus 60 basis points)—a reduction of 1.02%. Each development will have to complete HFA credit underwriting and obtain credit enhancement from FHA, Fannie Mae, or Freddie Mac in order to “break escrow” and receive a project specific bond loan.

### B. Present Situation

- The \$8.1 million of NIBP bonds that did not close this December can close in 2011, but at a new rate determined December 3, 2010 (3.01% plus 60 basis points).
- Richman Development indicates that they are still moving forward on Pine Grove and Savannah Springs II. Hollybrook is now pursuing a private placement of bonds to finance that development. RBC Capital Markets has a potential buyer whose rate quote appears to work for the deal.

### C. Recommendation: None.

**VI. 2011 Bond Allocation—Informational**

1. The 2011 allocation is \$40,535,897, an increase of \$2,813,156 (7.5%) over 2010. The current status is:

| Year         | Single Family Amount | Multifamily Amount  | Unallocated         | Expiration  |
|--------------|----------------------|---------------------|---------------------|---|
| 2011         |                      |                     | \$15,535,897        | N.A. until allocated  |
| 2011         | \$25,000,000         |                     |                     | June 7, 2011  |
| 2010         | \$21,022,741         | \$10,700,000        |                     | Carryforward available until December 31, 2013. Must be used before new bond allocation and MF is not project specific. |
| 2009         |                      | \$10,000,000        |                     | Carryforward available until December 31, 2012. Must be used before new bond allocation and is not project specific.    |
| 2008         |                      | \$18,900,000        |                     | Carryforward available until December 31, 2011. Must be used before new bond allocation and is not project specific.    |
| <b>TOTAL</b> | <b>\$46,022,741</b>  | <b>\$39,600,000</b> | <b>\$15,535,897</b> |   |

2. For the 2011 allocation, prior to June 7, 2011, the Authority will have to reassign the allocation to multi-family developments or return the allocation to the Division of Bond Finance and request a new single family allocation with a later expiration date. In either event, the Authority may have to file a validation complaint to toll the expiration date of the 2011 allocation.
3. The Authority approved holding a TEFRA hearing for an additional \$15 million of 2011 single family allocation—which is the additional amount needed to reserve nearly all 2011 allocation.
4. **Recommendation:** None.

**VII. 2007 Single Family Issue—Informational**

1. The 1-31-11 servicing report from US Bank:

|   | First Mortgages |
|---|-----------------|
| Original # Loans                                | 109             |
| Original Mortgage Balance                       | \$14,326,638    |
| Current Mortgage Balance                        | \$ 9,556,904    |
| Normal Payoffs                                  | 11 (10.09%)     |
| Repurchased by Servicer for Chronic Delinquency | 13 (11.93%)     |
| Foreclosed or Bankruptcy                        | 7 (6.42%)       |
| Remaining Loans                                 | 78              |
| 30 Days Delinquent                              | 6 (7.69%)       |
| 60 Days Delinquent                              | 1 (1.28%)       |
| 90+ Days Delinquent                             | 3 (3.85%)       |
| In Foreclosure                                  | 1 (1.28%)       |

2. **Recommendation:** None.

### **VIII. 2006 Single Family Issue—Informational**

1. The December 2010 servicing report from Countrywide:

|                                       | <b>First Mortgages</b> | <b>Second Mortgages</b> |
|---------------------------------------|------------------------|-------------------------|
| Original # Loans                      | 85                     | 60                      |
| Original Mortgage Balance             | \$11,261,533           | \$1,809,908             |
| Current Mortgage Balance              | \$10,420,253           | \$1,541,065             |
| Normal Payoffs                        | 1                      | 1                       |
| Repurchased by Servicer or Foreclosed | 7                      | 5                       |
| Remaining Loans                       | 77                     | 54                      |
| 30 Days Delinquent                    | 5 (6.49%)              | 3 (5.56%)               |
| 60 Days Delinquent                    | 0 (0.00%)              | 1 (1.85%)               |
| 90+ Days Delinquent                   | 6 (7.79%)              | 6 (11.11%)              |
| In Foreclosure                        | 6 (7.79%)              | 0 (0.00%)               |

2. **Recommendation:** None.

### **IX. Florida Housing Finance Corporation Rulemaking—Informational**

1. Florida Housing is in the midst of their rulemaking for the upcoming Housing Credit cycle. Due to concerns from the transition team for Governor Scott, the rule was delayed.
2. There were significant problems with the initial draft of the rule, including all of Duval County designated as Location A (no deals permitted), and overreaching interference by FHFC into the credit underwriting, location, physical features and resident programs of bonds financed by local HFA's.
3. Based upon comments from Florida ALHFA, Florida Housing removed local bond deals from much of their application process—creating a “mini-application”. After further comment, most of the proposed requirements from the mini-application (relating to the imposition by FHFC of physical standards, green energy requirements, resident programs, credit underwriting standards, and other items) were removed. Additionally, deals within the 2.5 mile radius of Guarantee Fund deals will now be evaluated on a case-by-case basis rather than rejected outright.
4. Another area of controversy in the rule is the proposal to grant points for various rail stations that exceed the possible points for any other type of public transportation. This proposal gives an overwhelming advantage to developments located in south Florida.
5. The issues of the advantage for rail stations and the split between Preservation and New Construction deals are under review.
6. Additionally, the Governor has placed a hold on new “rules”. When state agencies conduct bids or distribute funds, they need to adopt a “rule” so that the public can have input into, and can hold the governmental body accountable for distributing the money properly. Florida Housing believes the rule will be adopted in March, with a June application deadline.
7. Four new Board members were appointed by Governor Crist, and subsequently withdrawn by Governor Scott.
8. **Recommendation:** None.

**X. Sadowski Educational Effort—Informational**

1. The Sadowski Coalition determined that most legislators are unfamiliar with the Sadowski Affordable Housing Act, including the fact that the documentary tax on deeds was increased to fund housing programs and the success of those programs. To improve the situation, the Sadowski Coalition implemented an education effort.
2. At the Florida ALHFA conference, Representative Gary Aubuchon (lead sponsor of the housing legislation in the House) commented on the effectiveness of the Sadowski Education Effort, and emphasized that due to term limits, this must be an ongoing effort. Representative Aubuchon was recently named as Rules Chairman for the 2011 and 2012 sessions.
3. The education effort has been renewed for the 2011 Legislative Session, with \$107,250 raised this year (\$76,000 from local HFA's, \$25,000 from the Florida Realtors, and remainder from other groups).
4. The 2011 housing bills (with cap repeal) were scheduled to be filed by Senator Bennett and Representative Aubuchon. That is up in the air given the Governor's proposal (see #6 below).
5. Editorial Board meetings have begun, with editorials written by the Florida Times Union (Jacksonville) and Tallahassee Democrat.
6. The Governor's budget recommendations were released February 7, and contain only \$37.5 million for housing, of the \$193 million available for appropriation from the housing trust funds. **More disturbing, the Governor is proposing to eliminate the Housing Trust Funds entirely and permanently sweep all of the doc stamp funds into general revenue.**
7. **Recommendation:** None.

**BOARD MEETING  
SUBMISSION FORM**

*(All information must be completed prior to Submission)*

**AGENDA NAME: Occupancy Report**

*(This is the name of the item to place on the Agenda)*

**Today's Date: 2-8-11**

**Please check only one:**      **JHFA**                       **JHCDC**                       **NWJEDF**

**Please check only one:**

**ACTION ITEM**

**Reports**      **Staff Reports**      **Committee Reports**      **New Business**      **Old Business**

**Name of Person/s that will be presenting item at the meeting: Mark Hendrickson**

**Background/Description:** This is a monthly update on the occupancy of JHFA financed properties.

**Are funds available for this item (if applicable):**     **Yes**     **No**     **N/A**                      \_\_\_\_\_  
*Finance Director Signature*

**RECOMMENDATION: None**

\*\*\*\*\*

**ATTACHMENTS  
(Check Here if N/A  )**

|   |  |
|---|--|
| <p align="center">Name of Attachment1<br/>Occupancy Report</p> <p>Name of Person/s responsible for submitting attachment<br/>Mark Hendrickson</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> | <p align="center">Name of Attachment2</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |
| <p align="center">Name of Attachment3</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p>  | <p align="center">Name of Attachment4</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |

Moved: \_\_\_\_\_    Second: \_\_\_\_\_    Other: \_\_\_\_\_    Quorum # \_\_\_\_\_

*Motion Note:*

## OCCUPANCY LEVELS

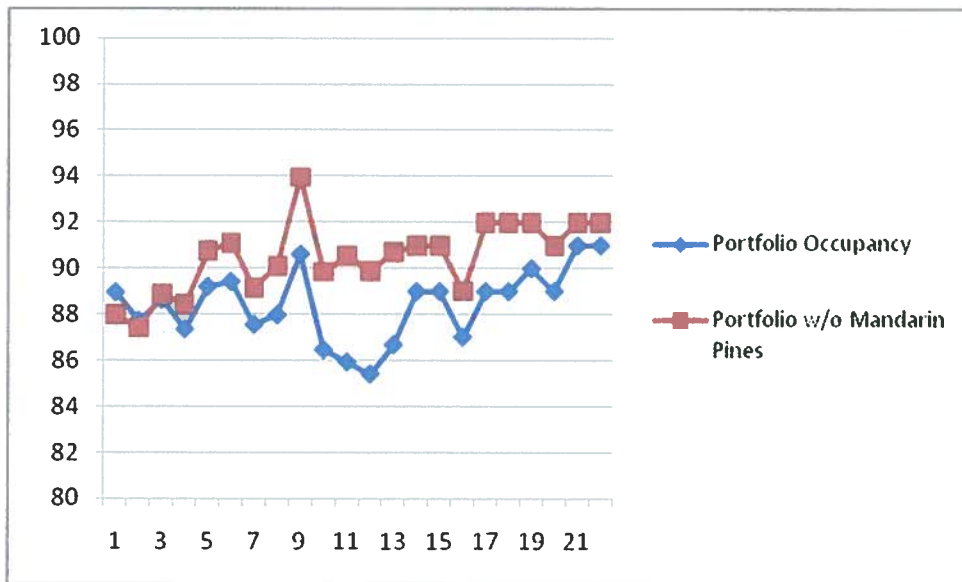
Active Rental Developments—Bond Financed by DCHFA or JHFA

| Development & Address   | Developer     | Original Bonds & Issue Date                       | Units & Occupancy               |
|---|---------------|---|---------------------------------|
| Brookwood Forest Apartments<br>1251 Fromage Way 32225                                 | CED           | \$10,000,000<br>2005                              | 168<br>89% (-2%)                |
| Camri Green Apartments<br>3820 Losco Road 32257                                       | Vestcor       | \$9,200,000<br>2003                               | 184<br>99% (-1%)                |
| Cedars at Baymeadows<br>9801 Old Baymeadows Road<br>32256                             | NHP           | See Eagles<br>Point                               | 160<br>79% (-1%)                |
| Christine Cove<br>3730 Soutel Dr 32208  | Carlisle      | \$6,000,000<br>2006                               | 96<br>97% (+1%)                 |
| Eagles Pointe North<br>3100 Townsend Blvd. 32277                                      | NHP           | \$9,015,000<br>1997                               | 186<br>89% (-0%)                |
| The Glades Apartments<br>7524 Southside Blvd. 32256                                   |               | \$8,775,000<br>2002                               | 360<br>98% (+3%)                |
| Hartwood<br>AKA Hampton Ridge<br>11501 Harts Road 32218                               | Southport     | \$5,840,000<br>2006                               | 110<br>90% (-2%)                |
| Kimbers Cove<br>AKA Saddle Creek<br>103d St. & Monroe Smith Rd.<br>32210              | PRS Companies | \$19,000,000<br>2004                              | 288<br>88% (-0%)                |
| Lakes of Mayport Apartments<br>2610 State Road A1A 32233                              |               | \$6,600,000<br>1985                               | 216<br>93% (-4%)                |
| Lindsey Terrace Apartments<br>6455 Argyle Forest Blvd. 32244                          | Vestcor       | \$12,645,000<br>2001                              | 336<br>91% (+1%)                |
| Mandarin Pines (formerly<br>Sunbeam Road Apartments)<br>4295 Sunbeam Road 32257       |               | \$7,350,000<br>1997                               | 263<br>81% (+1%)                |
| Southpoint Place<br>3530 Victoria Park Road 32216                                     |               | \$1,940,000<br>1996                               | 108<br>71% (-0%)                |
| St. Augustine at the Lakes-<br>Phase I and Phase II<br>11001 St. Augustine Road 32257 |               | \$13,235,000<br>1986/1996<br>\$11,720,000<br>2006 | 524<br>(400 & 124)<br>96% (-0%) |
| Timuquana Park Apartments<br>5615 Seaboard Ave. 32244                                 | Southport     | \$4,300,000<br>2004                               | 100<br>98% (+1%)                |

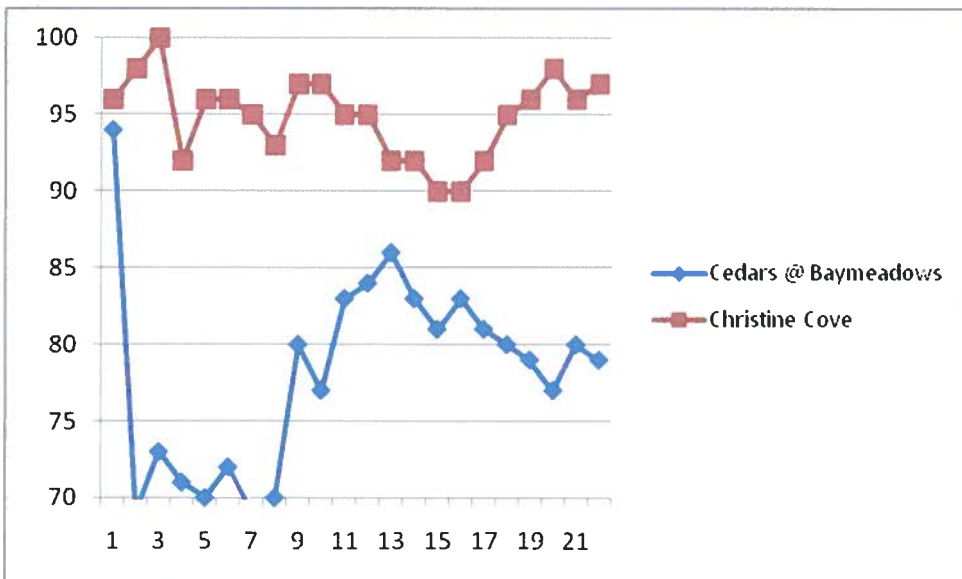
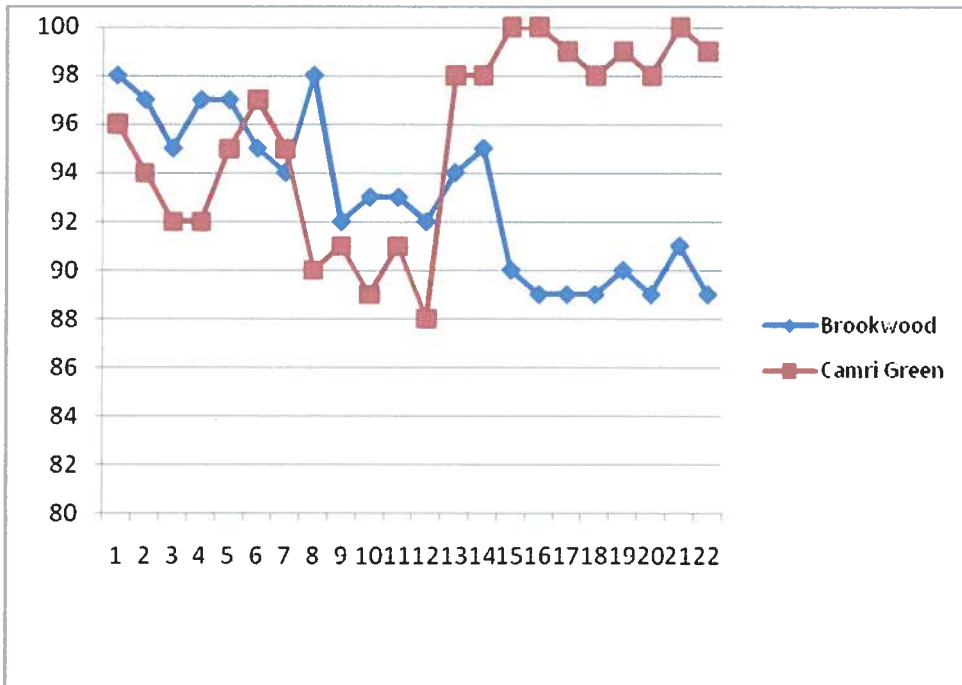
### Bonds Paid Off or Default

|   |     |                      |     |
|---|-----|----------------------|-----|
| Greentree Place Apartments<br>9480 S. Princeton Square Blvd.<br>32256<br>Bonds Paid Off |     | \$12,455,000<br>1995 |     |
| Lighthouse Bay Apartments<br>8090 Atlantic Blvd. 32211<br>DEFAULT                       | GMN | \$29,500,000<br>2002 |     |
| Nia Terrace<br>2045 Jammes Road<br>DEFAULT  |     | \$4,000,000<br>2001  |     |
| Oakwood Project Series 1999A<br>8201 Kona Avenue<br>DEFAULT                             |     | \$2,880,000<br>1999  | 200 |

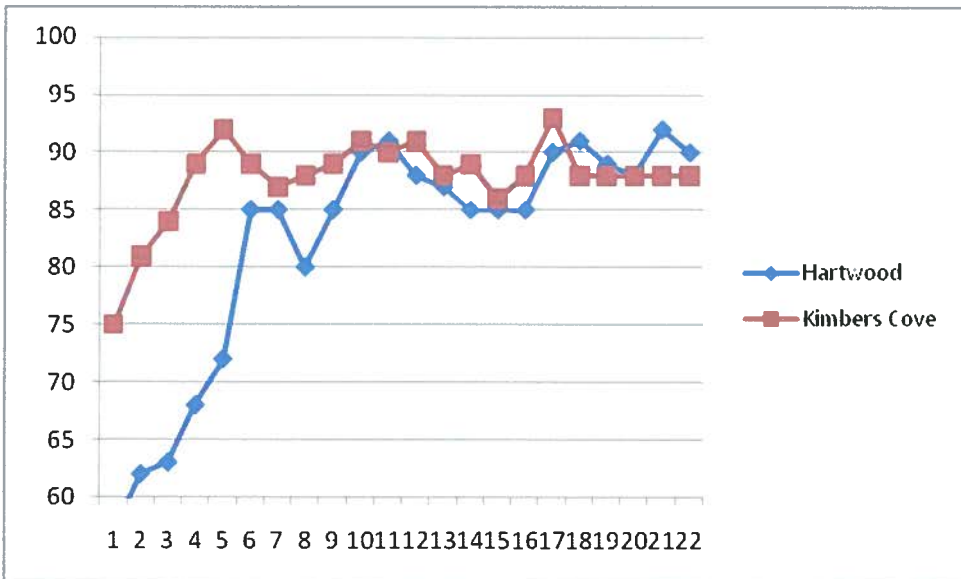
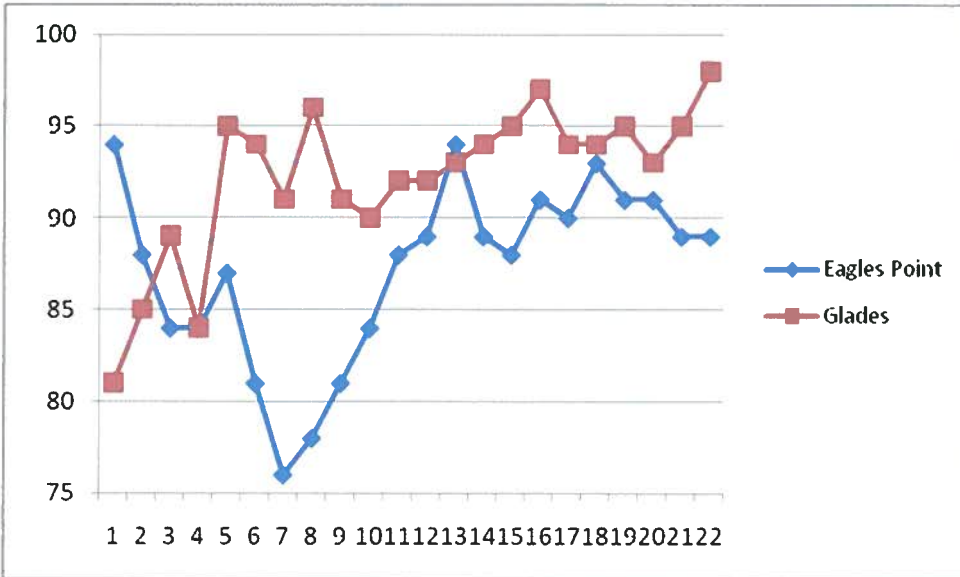
### 22 Month Occupancy Levels—Entire Portfolio Average Occupancy



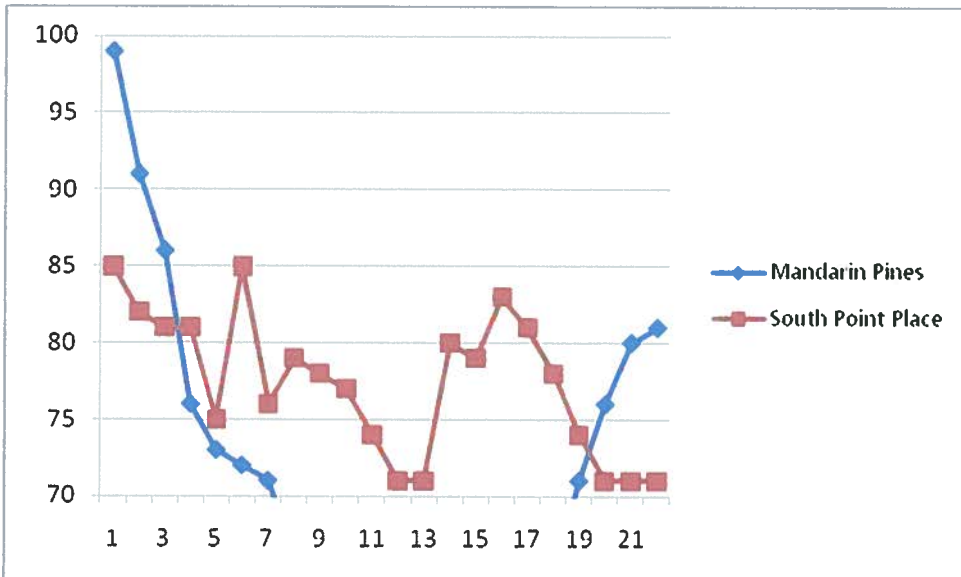
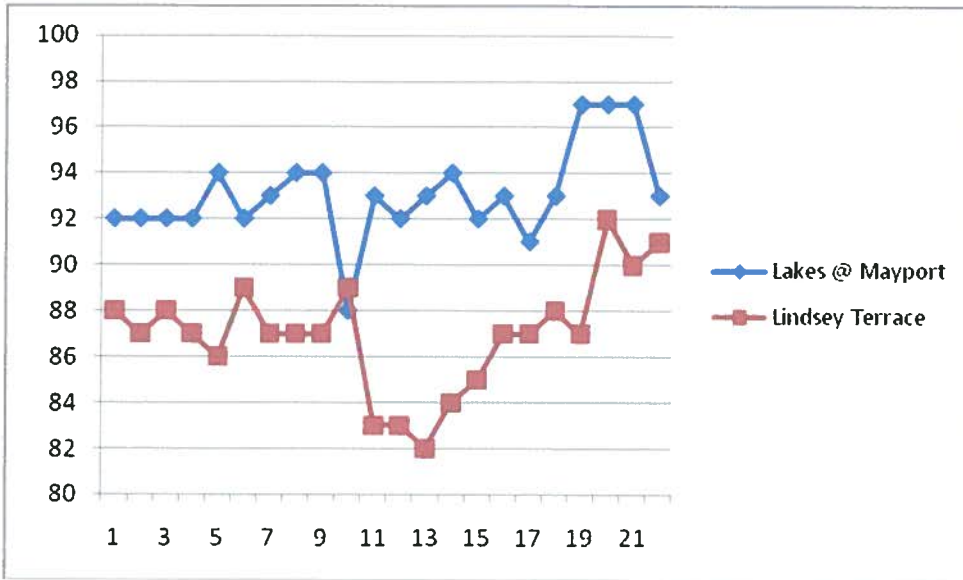
## 22 Month Occupancy Levels—Average Occupancy by Development



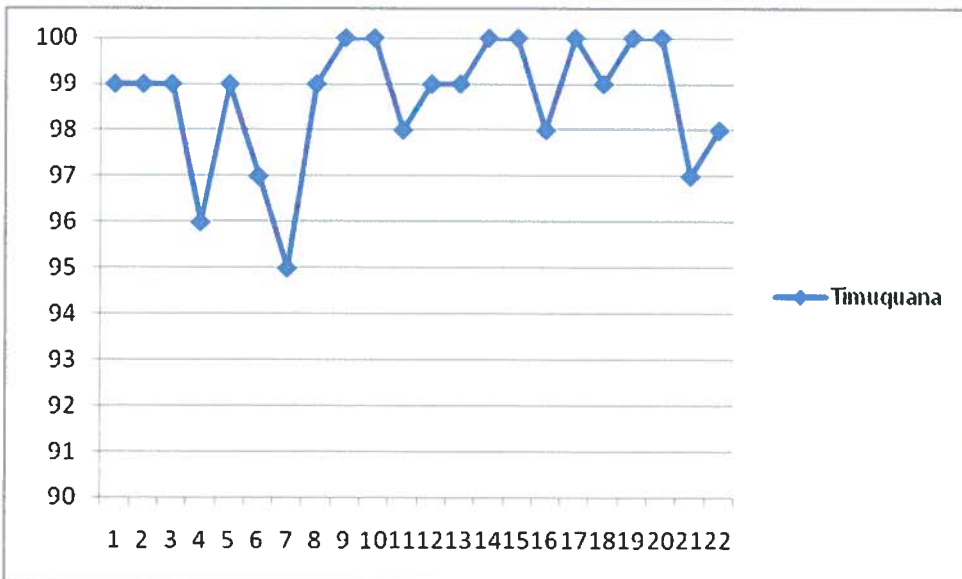
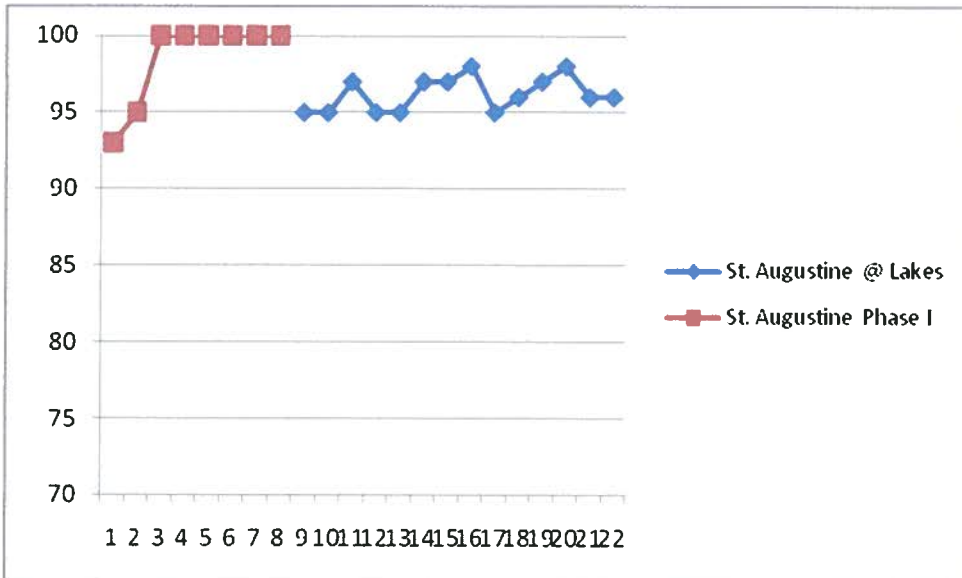
## 22 Month Occupancy Levels—Average Occupancy by Development



## 22 Month Occupancy Levels—Average Occupancy by Development



## 22 Month Occupancy Levels—Average Occupancy by Development



**BOARD MEETING  
SUBMISSION FORM**

*(All information must be completed prior to Submission)*

**AGENDA NAME: Lindsey Terrace & Kendall Court**

*(This is the name of the item to place on the Agenda)*

**Today's Date: 2-8-11**

**Please check only one:**      JHFA                       JHCDC                       NWJEDF

**Please check only one:**

ACTION ITEM

Reports      Staff Reports      Committee Reports      New Business      Old Business

**Name of Person/s that will be presenting item at the meeting:**

**Background/Description:** Lindsey Terrace and Kendall Court are proposing to refund their bonds utilizing the PFA of Wisconsin. The JHFA needs to enter into a Preliminary Agreement with the owner to protect the Authority's and the public purpose interests.

**Are funds available for this item (if applicable):**      Yes      No      N/A

\_\_\_\_\_  
*Finance Director Signature*

**RECOMMENDATION: Consider approval of Preliminary Agreement**

\*\*\*\*\*

**ATTACHMENTS  
(Check Here if N/A  )**

|   |  |
|---|--|
| <p align="center">Name of Attachment1<br/>Preliminary Agreement</p> <p>Name of Person/s responsible for submitting attachment<br/>Rhonda Bond-Collins</p> <p>Are there signatures required?     <input checked="" type="checkbox"/> Yes     <input type="checkbox"/> No</p> | <p align="center">Name of Attachment2</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?     <input type="checkbox"/> Yes     <input type="checkbox"/> No</p> |
| <p align="center">Name of Attachment3</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?     <input type="checkbox"/> Yes     <input type="checkbox"/> No</p>  | <p align="center">Name of Attachment4</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?     <input type="checkbox"/> Yes     <input type="checkbox"/> No</p> |

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Other: \_\_\_\_\_ Quorum # \_\_\_\_\_

*Motion Note:*

## **PRELIMINARY AGREEMENT**

This **PRELIMINARY AGREEMENT** (this "Preliminary Agreement") dated as of February 16, 2011, by and among the **JACKSONVILLE HOUSING FINANCE AUTHORITY**, a body corporate and politic of the State of Florida (the "Authority"), and **VESTCOR FUND XIV, LTD.**, a Florida limited partnership or its permitted successors and assigns and **VESTCOR FUND XVI, LTD.**, a Florida limited partnership or its permitted successors and assigns (collectively, the "Company").

### **WITNESSETH:**

**SECTION 1. PRELIMINARY STATEMENT.** Among the matters of mutual understanding which have resulted in the execution of this Preliminary Agreement are the following:

(a) The Company has requested the Public Finance Authority (the "PFA"), a commission, a unit of government, and a body corporate and politic, organized and existing under Sections 66.0301 and 66.0303 of the Wisconsin Statutes (the "Wisconsin Act") to issue bonds in two or more series (collectively, the "Bonds") for the purpose of refunding the bonds originally issued for the benefit of the Kendall Court apartment complex (the "Kendall Court Project") and Lindsey Terrace apartment complex (the "Lindsey Terrace Project", and together with the "Kendall Court Project", the "Projects").

(b) Pursuant to Section 66.0304(11) of the Wisconsin Act, the PFA cannot issue the Bonds unless the political subdivision within whose boundaries the Projects are located has approved the financing of the Projects, in the instant case, the City of Jacksonville, Florida (the "City").

(c) The original bonds relating to the Lindsey Terrace Project were issued by the Duval County Housing Finance Authority, predecessor to the Jacksonville Housing Finance Authority ("DCHFHA").

(d) The original bonds relating to the Kendall Court Project were issued by the Florida Housing Finance Corporation ("FHFC").

(e) The Company has requested that the City Council of the City (the "City Council") approve the issuance of the Bonds for purposes of the Wisconsin Act and for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended.

(f) Notices of public hearings inviting comments and discussion concerning the issuance by the PFA of the Bonds and the nature and location of the Projects ("TEFRA Hearings") were published in a newspaper of general circulation in Duval County, Florida on February 3, 2011.

(g) The Authority has been requested to hold the TEFRA Hearings on behalf of the City at least 14 days after such notices were published.

**SECTION 2. UNDERTAKINGS ON THE PART OF THE AUTHORITY.** Subject to the terms hereof, the Authority will hold the TEFRA Hearings on February 18, 2011 at the times and in the manner as described in the notices referenced in Section 1(f) hereof. Neither the City nor the Authority will have any obligations with respect to the issuance or payment of the Bonds.

**SECTION 3. UNDERTAKINGS ON THE PART OF THE COMPANY.** Subject to the terms hereof, and prior to the issuance of the Bonds, the Company (unless otherwise provided in this Section 3) agrees as follows:

(a) At the time of issuance of the Bonds, the Company shall have in place arrangements satisfactory to the Authority for compliance monitoring of the Projects under the existing contract between the Authority and AmeriNational Community Services, Inc. (the "Compliance Monitoring Agreement"), and the Company shall prepay the compliance monitoring fees under the Compliance Monitoring Agreement pursuant to such contract at the time of issuance of the Bonds for the first three (3) years.

(b) That certain \$1,500,000 subordinate note executed by Vestcor XVI, Ltd., owner of the Lindsey Terrace Project, in favor of the Jacksonville Housing Authority shall be modified, if necessary, to ensure that Vestcor XVI, Ltd. continue to perform its obligations to provide affordable housing, notwithstanding the refunding the Lindsey Terrace Project bonds. Such modified documents shall be in form and substance satisfactory to the Office of General Counsel and the Authority's bond counsel.

(c) Prior to, or on the date of issuance of the Bonds, the Authority and the City shall receive an opinion of counsel rendered by an attorney, or firm of attorneys admitted to practice law in the State of Florida providing that the consent of the City required pursuant to the Wisconsin Act is authorized under Florida law, in substantially the form attached hereto as Exhibit "A."

(d) At the time of issuance of the Bonds by the PFA, the Company and the PFA shall enter into land use restriction agreements for the Projects that provide at least the same requirements for affordable housing as to affordability requirements and number of units as were previously required by DCHFA with respect to the Lindsey Terrace Project, and as required by FHFC with respect to the Kendall Court Project at the time the bonds being refunded by the Bonds were issued for the Lindsey Terrace Project and the Kendall Court Project, respectively.

(e) The Company shall be responsible for all fees and expenses of the Authority and the City in connection with the issuance of the Bonds, including, but not limited to, those fees and expenses of the Authority's counsel, financial advisors and bond counsel.

(f) The Company will hold the Authority and the City free and harmless from any loss, costs, fees, or damage and from any taxes or other charges levied or assessed by reason of the issuance, sale or delivery of the Bonds.

(g) The Company will take such further action as may be required to implement its aforesaid undertakings and as it may deem appropriate in pursuance thereof.

(h) Should the PFA not issue the Bonds for any reason, the Company shall pay any and all of the Authority's and the City's fees and expenses including, without limitation, the fees and expenses of Authority's counsel, bond counsel and financial advisors.

(i) The Company hereby confirms that all required actions or approvals which may be required of FHFC and/or the State of Florida in connection with the refinancing of the Kendall Court Project with the proceeds of the Bonds have been taken.

**SECTION 4. BINDING EFFECT.** All covenants and agreements herein contained by or on behalf of the Authority and the Company shall bind and inure to the benefit of the respective successors and assigns of the City, the Authority and the Company whether so expressed or not; provided, however, the Company may not assign this Preliminary Agreement.

**SIGNATURE PAGE TO  
PRELIMINARY AGREEMENT**

**IN WITNESS WHEREOF**, the parties hereto have entered into this Preliminary Agreement by their officers thereunder duly authorized on the date set forth below.

**AUTHORITY:**

**JACKSONVILLE HOUSING  
FINANCE AUTHORITY**

ATTEST:

By: \_\_\_\_\_  
Bernard E. Smith, Chair

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SIGNATURE PAGE TO  
PRELIMINARY AGREEMENT**

**IN WITNESS WHEREOF**, the parties hereto have entered into this Preliminary Agreement by their officers thereunder duly authorized on the date set forth below.

**COMPANY:**

**VESTCOR FUND XVI, LTD.**, a Florida limited partnership

By: Vestcor Partners XVI, Inc., a Florida corporation, its sole general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VESTCOR FUND XIV, LTD.**, a Florida limited partnership

By: Vestcor Partners XIV, Inc., a Florida corporation, general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**FORM OF OPINION**

**BOARD MEETING  
SUBMISSION FORM**

*(All information must be completed prior to Submission)*

**AGENDA NAME: Extension of 2010 Single Family Program**

*(This is the name of the item to place on the Agenda)*

**Today's Date: 2-8-11**

**Please check only one:**     **JHFA**                       **JHCDC**                       **NWJEDF**

**Please check only one:**

**ACTION ITEM**

**Reports**     **Staff Reports**     **Committee Reports**     **New Business**     **Old Business**

**Name of Person/s that will be presenting item at the meeting:**

**Background/Description:** To fully originate loans in the 2010 Single Family Program, the final purchase date and call date need to be extended.

**Are funds available for this item (if applicable):**     **Yes**     **No**     **N/A**

\_\_\_\_\_  
*Finance Director Signature*

**RECOMMENDATION: Consider approval of extension of final purchase date and call date.**

\*\*\*\*\*

**ATTACHMENTS  
(Check Here if N/A  )**

|  |  |
|--|--|
| <p align="center">Name of Attachment1</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> | <p align="center">Name of Attachment2</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |
| <p align="center">Name of Attachment3</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> | <p align="center">Name of Attachment4</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |

Moved: \_\_\_\_\_    Second: \_\_\_\_\_    Other: \_\_\_\_\_    Quorum # \_\_\_\_\_

*Motion Note:*

**BOARD MEETING  
SUBMISSION FORM**

*(All information must be completed prior to Submission)*

**AGENDA NAME: Madison Woods**

*(This is the name of the item to place on the Agenda)*

**Today's Date: 2-8-11**

**Please check only one:**      **JHFA**                       **JHCDC**                       **NWJEDF**

**Please check only one:**

**ACTION ITEM**

**Reports**      **Staff Reports**      **Committee Reports**      **New Business**      **Old Business**

**Name of Person/s that will be presenting item at the meeting:**

**Background/Description:** The Authority previously approved modifications to the second mortgage from the JHFA to this development. HUD has placed an additional requirement on the transaction requiring the second mortgage to be extinguished if the property is in default and they receive a deed in lieu of foreclosure.

**Are funds available for this item (if applicable):**      **Yes**      **No**      **N/A**

\_\_\_\_\_ *Finance Director Signature*

**RECOMMENDATION: Consider approval of modification to Madison Woods mortgage permitting HUD required language.**

\*\*\*\*\*

**ATTACHMENTS  
(Check Here if N/A  )**

|  |  |
|--|--|
| <p align="center">Name of Attachment1</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?     <input type="checkbox"/> Yes     <input type="checkbox"/> No</p> | <p align="center">Name of Attachment2</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?     <input type="checkbox"/> Yes     <input type="checkbox"/> No</p> |
| <p align="center">Name of Attachment3</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?     <input type="checkbox"/> Yes     <input type="checkbox"/> No</p> | <p align="center">Name of Attachment4</p> <p>Name of Person/s responsible for submitting attachment</p> <p>Are there signatures required?     <input type="checkbox"/> Yes     <input type="checkbox"/> No</p> |

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Other: \_\_\_\_\_ Quorum # \_\_\_\_\_