

JACKSONVILLE HOUSING FINANCE AUTHORITY



Jacksonville Housing Finance Authority Board of Directors Meeting

November 29, 2017

Noon

214 North Hogan Street, 8<sup>th</sup> Floor

- AGENDA -

Call Meeting to Order

Chair

Approval of Minutes of September 19, 2017 Meeting

JHFA Board

**I. Public Comments**

A. Public Comments

Public

**II. REPORTS**

A. "To-Do" List Earlier Meetings

Mark Hendrickson

B. Staff and Financial Report

Laura Stagner

- Financial Statement

C. Financial Advisor Memo

Mark Hendrickson

**IV. ACTION ITEMS**

A. Board Members Declare Conflicts, if any

Board

B. Consider Actions Related to Local Government Area of Opportunity Funding (Selection Criteria)

Mark Hendrickson

C. Consider Local Government Contributions for other Applicants

Mark Hendrickson

D. Consider Inducement Resolution for the Waves

Mark Hendrickson

E. Approve 2018 Board Meeting Schedule

Board

**V. NEW BUSINESS**

**VI. OLD BUSINESS**

A. Update on Bond Allocation

Rhonda Bond-Collins

B. Update on Single Family Program

Mark Hendrickson

C. Update on Existing Rental Properties

Mark Hendrickson

- Recent JHFA Activities/Developments
- Occupancy Report

D. Update on 20187 Legislative Effort

Mark Hendrickson

E. Update on Federal Legislative Situation

Mark Hendrickson

**VII. ADJOURN JHFA MEETING**

Chair

JACKSONVILLE HOUSING FINANCE AUTHORITY



**JACKSONVILLE HOUSING FINANCE AUTHORITY**

**Board of Directors Meeting**

**MINUTES**

**OF**

**REGULAR MEETING**

**September 19, 2017**

## **September 19, 2017: JHFA Board Meeting**

**12:00 pm**

**214 North Hogan Street, 8<sup>th</sup> Floor**

### **BOARD MEETING:**

Present at the meeting were:

### **BOARD MEMBERS**

Tripp Gulliford, Chairman  
Dee Bumbarger, Member  
Spencer Cummings, Member  
Ruth Owen, Member

### **PROFESSIONAL STAFF:**

Mark Hendrickson, The Hendrickson Company, Financial Advisor  
Cameron Hill, RBC Capital Markets, Investment Banker  
Rhonda Bond Collins, Bryant Miller Olive, Bond Counsel  
Lo Etienne, Bryant Miller Olive  
Emerson Lotzia, City of Jacksonville Office of General Counsel

### **CITY STAFF:**

Laura Stagner  
Jane Bouda

### **PUBLIC:**

Ryan Hoover, Vestcor  
Kevin Troup, Vestcor  
Shawn Wilson, Blue Sky Communities  
Shawn MacDonald, Blue Sky Communities  
Fred McKinnies, Jacksonville Housing Authority  
Chuck Shealy, LISC Jacksonville

### **BOARD MEETING**

Chairman Gulliford called the meeting to order at 12:00 pm

### **Minutes**

Ms. Owen moved, with a second by Mr. Cummings, that the **Board approve the minutes of the August 17, 2017 Board meeting**. The motion passed 4-0.

### **Other Items**

Ms. Bumbarger asked that the Board confirm the JHFA meeting calendar for the remainder of 2017 and early 2018. After discussion, the Board **confirmed the 2017 meeting dates as October 18 and November 29, and the meeting dates for the first quarter of 2018 as the third Wednesday of each month (January 17, February 21, and March 21)**. The Board also directed Mr. Hendrickson to send out calendar invites for the five meetings.

Mr. Hendrickson explained the situation related to SEC and MSRB regulations governing Municipal Advisors, and stated that Ms. Howard had retired from the MA business. He noted that Ms. Leigh would not be performing MA activities until she passed the Series 50 exam and was again registered as an MA. Mr. Hendrickson stated that all services in the contract with JHFA would be performed by him without any disruption in service.

#### **Public Comments**

Mr. Ryan Hoover, Vestcor Companies, made a presentation updating the Board on Mary Eaves Senior Village and Lofts at LaVilla.

Mr. Shawn Wilson, Blue Sky Communities, made a presentation relating to a potential bond application for Cathedral Townhomes, and asked the Board to consider making a subordinate loan to the development. Mr. Hendrickson stated that any action related to this request could only take place if a NOFA was issued, and that other developers could also respond.

**Chairman Gulliford asked staff to present an analysis of the JHFA's available funds at the October meeting.**

#### **"To-Do" List**

Ms. Stagner reported that staffing changes had largely been completed in her department, and that a draft MOU for JHFA staffing duties could be prepared in the next few months.

Chairman Gulliford noted that there were two Board vacancies, and asked members and staff to forward any suggestions.

#### **Staff Report and Financial Report**

Ms. Stagner presented the financial and staff report. She reported that \$703,000 that had been derived from an MBS sale from an earlier bond issue had been reserved for use as DPA in the single family program, but had not been formally designated by the Board for that purpose.

#### **Board Member Conflicts**

There were no Board Member conflicts.

#### **2017 and 2018 Bond Allocation**

Ms. Bond-Collins explained that the Board needed to formally reserve bond allocation each year, and presented a resolution that would permit reservation of \$50 million for single family bonding authority, either from the November Pool or the 2018 allocation. After discussion, Mr. Cummings moved, with a second by Ms. Owen, that **the Board approve the \$50 million single family bond resolution prepared by bond counsel.** The motion passed 4-0.

#### **Local Government Area of Opportunity Funding (Preference)**

Mr. Hendrickson stated that the NOFA for the local preference had been published. After discussion, the Board took no action to change the designated geographic target area in the NOFA. The Board **directed Ms. Stagner to email the map showing the boundaries of the City of Jacksonville city limits, 1968, pre-consolidation.**

#### **Local Government Contribution—Minimum Required in Conjunction with SAIL or Housing Credits**

Mr. Hendrickson reported that three applications had been received in response to the NOFA related to minimum local government contributions in conjunction with FHFC SAIL applications, and that all three (Georgian Estates, Pine Grove, and The Waves) all met the threshold requirements. He directed the Board to the detailed analysis of the applications in the Board Packet.

After discussion, Ms. Bumbarger moved, with a second by Mr. Cummings, that the Board **(1) Provide commitments for local government contributions to Georgian Estates, Pine Grove, and The Waves, subject to the loan conditions detailed in the attached Analysis of Local Government Support Loan Requests, (2) Authorize the Chairman to execute letters to FHFC confirming that complete bond applications have been received for Georgian Estates and Pine Grove, (3) Authorize the Chairman to execute a letter to FHFC confirming that a complete bond application has been received for The Waves, upon receipt, review, and approval by the Financial Advisor, and (4) Request Mayor or authorized person to sign FHFC form related to confirmation of the local government contribution.** The motion passed 4-0.

#### **New Rental Financings: 2018 Bond NOFA, Millennia Portfolio & New Applications**

**Millennia Portfolio Inducement:** Mr. Hendrickson and Ms. Bond-Collins updated the Board on the change to the proposed financing structure for the Millennia Portfolio, specifically that there would be only one borrowing entity, and that the four developments would be treated as part of a single scattered-site financing. Mr. Hendrickson explained that this would result in the ability to raise for capital for rehabilitation by increasing the bond amount (stronger developments generating revenue for bond debt that could be used to rehabilitate the developments that needed more rehabilitation). Ms. Bond-Collins explained the Amended and Restated Inducement Resolution that implemented this change.

After discussion, Mr. Cummings moved, with a second from Ms. Owen, that the **Board approve the Amended and Restated Inducement Resolution prepared by bond counsel for the Millennia Portfolio (formerly Eureka Gardens I & II, Moncrief Village, Southside Apartments, and Washington Heights, now known as Valencia Way, Estuary Estates, Oyster Pointe, and Charlesfort Commons), subject to all conditions in the JHFA MF Handbook and the recommendations included in the full FA analysis of these applications.** The motion passed 4-0

**2018 Bond NOFA:** Mr. Hendrickson explained that a NOFA was required to solicit applications for multi-family bonds in 2018. After discussion, Mr. Cummings moved, with a second by Ms. Owen, that the Board **authorize publication of a 2018 Multi-Family Bond NOFA.** The motion passed 4-0.

**New Bond Applications:** Mr. Hendrickson stated that two new complete bond applications had been received (Georgian Estates and Pine Grove), and that the draft of a third application (The Waves) had also been received (with final complete application expected within one week). He directed the Board to the detailed analysis of the three applications included in the Board Packet. Ms. Bond-Collins noted that she had prepared an Inducement Resolution for Pine Grove, but had not done so for Georgian Estates due to the request of the applicant to delay the inducement. After discussion, Mr. Cummings moved, with a second by Ms. Owen, that the Board **approve the Pine Grove Inducement Resolution prepared by bond counsel, subject to all conditions in the JHFA MF Handbook and the recommendations included in the full FA analysis of each application (part of the Board Packet).** The motion passed 4-0.

### **Single Family**

Ms. Stagner and Mr. Hendrickson explained the revenue needed to fund down payment assistance (DPA) loans in the program. Mr. Hendrickson noted that some of the revenue was generated from the sale of MBS made up of the first mortgages to borrowers in the program, and some came from JHFA funds that had been generated by past single family bond issues. After discussion, Mr. Owen moved, with a second by Mr. Cummings, that the Board **authorize an additional \$703,000 for DPA loans**. The motion passed 4-0.

### **Existing Rental Properties**

Ms. Bond-Collins and Mr. McDonald explained the minor changes in the ownership structure of Cathedral Terrace. After discussion, Ms. Bumbarger moved, with a second by Mr. Cummings, that the Board **consent to the change in ownership for Cathedral Terrace**. The motion passed 4-0.

### **2018 Legislative Update & SEE Contribution**

Mr. Hendrickson presented the report on SEE funding requested by the Board at the August JHFA meeting, and the success of the effort in bringing millions of dollars of SHIP and SAIL funding to Jacksonville. After discussion, Mr. Cummings moved, with a second by Ms. Owen, that the Board **authorize a \$15,000 contribution to SEE** in October 2017. The motion passed 4-0.

Mr. Hendrickson reported on the 2018 legislative strategy and outlook for funding.

### **Old Business**

None.

### **Adjournment**

On a motion by Ms. Bumbarger and seconded by Ms. Owen, the Board voted 4-0 to adjourn the meeting at 1:25 PM

**JHFA Direction to Team**  
**From September 17, 2015, & August 17, 2017 Meetings**

Board Direction	Staff	Status
<b>September 17, 2015</b>		
Board withdrew approval of earlier MOU for staffing services with City, and directed that new agreement be brought back to them for review and approval of document and staffing commitments.		Waiting for City.
<b>September 19, 2017</b>		
Board asked Ms. Stagner to present an analysis of the JHFA's available funds at the October meeting	Laura	Will be distributed at meeting
Board asked Ms. Stagner to email the map showing the boundaries of the City of Jacksonville, 1968, pre-consolidation	Laura	Done

## THE HENDRICKSON COMPANY

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To: Board of Directors, Jacksonville Housing Finance Authority

From: Mark Hendrickson, Financial Advisor

Subject: November 29, 2017 JHFA Meeting

Date: November 19, 2017

### **I. 2017 Bond Allocation—Informational**

1. The 2017 allocation is \$45,010,604, an increase of \$917,642 (2.1%) over 2016:

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2017	\$ 50,000,000	\$ 90,000,000		December 29, 2017
2016		\$119,900,000		December 30, 2019
2015	\$ 80,250,000			December 31, 2018
<b>TOTAL</b>	<b>\$130,250,000</b>	<b>\$209,900,000</b>	<b>\$0</b>	

2. Single Family (\$50 million) and Pine Grove (\$16.5 million) TEFRA hearings have been held, with City Council approval action scheduled for November 28. After approval, they will be submitted for allocation from the State Pool.
3. The Millennia Portfolio (\$90 million) received multi-family bond allocation from the State Pool.
4. All 2017 allocations will be carried forward on December 29, which will extend their expiration until December 30, 2020.
5. **Recommendation:** None.

### **II. Local Government Area of Opportunity Funding (Preference)—Action**

1. FHFC kept the preference system for the upcoming 9% Housing Credit RFA 2017-113.
2. An applicant that receives “Local Government Area of Opportunity Funding” receives 10 points, while the smaller local government contribution only receives 5 points. A development receiving these points should be the “winner”, if the remainder of the application is complete. Each large county should receive one deal. In addition to the additional points, the applicant receiving the LGAOF automatically receives the maximum score for “proximity” to services and is not penalized if within the FHFC “death penalty” distance from other developments under construction or built and not yet stabilized.
3. To exercise the right to select a development for preference in the 9% Housing Credit competition, a local government has to provide a larger local contribution. This contribution is a direct dollar (not NPV) calculation; therefore, the loan to the development would be in the amount shown below, based upon building type. From draft RFA 2017-113

### Minimum Local Government Area of Opportunity Funding Amounts

Building Type*	Total Amount of Loan(s)/Grant(s)
Garden-Wood (NC)	\$472,000
Garden-Concrete (NC)	\$567,500
Mid-Rise-Wood (NC)	\$567,500
Mid-Rise-Concrete (NC)	\$625,750
High-Rise (NC)	\$747,000
Garden (Rehab)	\$396,750
Non-Garden (Rehab)	\$559,000

4. RFA 2017-113 has an application deadline of December 29, 2017. In order to select a development within that timeframe, JHFA would need to select a development at the November 29 meeting. A NOFA was issued with a due date of November 8. Four applications were received by the deadline, with correct fees paid:

NAME LOCATION	DEVELOPER & CONTACT	UNITS	DEMOGRAPHIC & DESIGN	TDC COST PER UNIT	JHFA LOAN REQUEST	Hard Cost/Unit
<b>Bay Street Apartments</b> Bay Street (southwest of Bay and Johnson)	Richman Group of Florida Todd Fabbri	100	Family Mid-Rise 4-Story with Elevator & Parking Deck New Construction	\$20,602,905 \$206,029/unit	\$567,500	\$132,378  64 % of TDC
<b>Lofts at Jefferson Station</b> 799 Water Street NW corner of Main & W. 4 <sup>th</sup>	Vestcor Ryan Hoover	98	Family Mid-Rise 4-Story with Elevator & Parking Deck (1 building) New Construction	\$20,943,699 \$213,711/unit	\$225,750	\$141,750  66% of TDC
<b>Lofts at Lee</b> Church Street West, NW of intersection f Church St. W. & N Davis St.	Vestcor Ryan Hoover	116	Family Mid-Rise 4-Story with Elevator & Parking Deck (1 building) New Construction	\$22,034,264 \$189,951/unit	\$625,750	\$128,363  68% of TDC
<b>Springfield Plaza</b> 1424 N. Main Street Immediately east of Lofts at La Villa (by Jefferson Station)	Roundstone Bob Colvard	96	Family Mid-Rise 4-Story with Elevator &; Outdoor parking; Retail on 1 <sup>st</sup> floor (1 building) New Construction	\$19,508,242 \$203,211/unit	\$625,750	\$127,996  63% of TDC

5. Copies of the applications were emailed to Board members. Attached under a separate tab in the Board Packet are the NOFA and a detailed analysis of the applications.
6. In addition to selecting one development for the “preference” funding, JHFA has also given the minimum support needed to one other application. This creates a “back-up” application in the situation where the primary application fails FHFC threshold scoring. This can be accomplished by selecting one of the applicants that applied under this NOFA (only Springfield Plaza would qualify, due to FHFC proximity scoring rules that are waived only for the preference development), or by issuing another NOFA for that purpose (no applications were received under this NOFA for back-up deals, although that was allowed under the NOFA).
7. **Recommendations:**
  - Select one application for funding level that will allow the applicant to receive the Local Government Area of Opportunity Funding points in FHFC scoring under RFA 2017-113
  - Establish term of loan and amortization, if any.
  - All loan commitment and loans governed by Ordinance 2014-185-E.
  - Authorize the Chairman to sign loan commitment letter, and authorize Chair or other Board member to execute loan documents, including subordinations and extension of loan commitment up to 30 days after senior loan closing date;
  - Request the Mayor or other official permitted by FHFC to sign the FHFC form required to verify the local government contribution.
  - Loan to be evidenced by Promissory Note and Mortgage, with anticipated second mortgage position (subject to all loan documents and due diligence necessary to evidence and complete the transaction). Loan documents to include a Land Use Restriction Agreement with all Applicant commitment (City programs, length of set-aside, income restrictions).
  - Loan commitment expiration date of December 31, 2018.
  - Select one development to receive a loan commitment at the level (\$115,000/0%/20 years/interest only with balloon) which would meet FHFC proximity threshold scoring to serve as a backup, or authorize NOFA for this purpose and schedule special meeting to consider any applications.

### **III. Local Government Contribution—Minimum Required in Conjunction with SAIL or Housing Credits—Informational**

1. FHFC requires a smaller level of local government contribution to be provided to all SAIL applicants. The NPV of the contribution must equal or exceed \$75,000, which requires a \$115,000/20 year/0% loan.
2. In response to a JHFA NOFA, the following developments applied for this funding and all were given commitments:

NAME LOCATION	DEVELOPER	UNITS	DEMOGRAPHIC	TDC	COST/UNIT LAND/UNIT	Hard Cost/Unit
<b>Georgian Estates</b> 5678 George Ct. Arlington	Southport Development Brianne Heffner  SP Estates Apartments LLC	72	Family  Garden  New Construction	\$14,245,996	\$197,861  \$8,639	\$111,806  57% of TDC
<b>Pine Grove</b> Powers Avenue, north of intersection of Powers & Toledo	Richman Group of Florida Todd Fabbri  Powers Avenue Apartments Ltd.	168	Family  Garden  New Construction	\$29,608,188	\$176,239  \$14,881	\$108,090  61% of TDC
<b>The Waves</b> 9 scattered JHFA public housing sites in Jacksonville Beach	Jacksonville Housing Authority & Vestcor Ryan Hoover  The Waves of Jacksonville Ltd.	127	Family  Garden  New Construction (replacing existing units)	\$23,377,628	\$184,076  \$0 (\$1 per year land lease)	\$118,650  64% of TDC

- RFA 2017-108 (SAIL) had an application deadline of October 5. FHFC's initial scoring of the applications **recommended that their Board award funding to The Waves.**
- Recommendation:** None.

#### IV. New Rental Financings—Action

- The 2017 bond NOFA is now “open” to applications on a first-received first-evaluated basis.
- The Board induced the four **Millennia Portfolio** transactions at the August meeting, and final TEFRA approval by City Council has a bond total of not to exceed \$90 million.
- During City Council approval, the new names for some of the developments was questioned—apparently because some residents did not like the name “Charlesfort Commons”. The developer subsequently changed the name of three of the four properties.

<i>Current Name</i>	<b>Eureka Gardens I &amp; II</b>	<b>Moncrief Village</b>	<b>Southside Apartments</b>	<b>Washington Heights</b>
<i>New Name</i>	Valencia Way	Estuary Estates	Oyster Pointe	Charlesfort Commons
<i>Revised New Name</i>	Valencia Way	The Weldon	Palmetto Glen	Calloway Cove
<i>Owner Entity*</i>	Valencia Way FL TC, LP	Estuary Estates FL TC, LP	Oyster Pointe FL TC, LP	Charlesfort Commons FL TC, LP
<i>Developer/Location</i>	Millennia Housing Development Cleveland, OH	Millennia Housing Development Cleveland, OH	Millennia Housing Development Cleveland, OH	Millennia Housing Development Cleveland, OH
<i>Type</i>	Acquisition & Substantial Rehabilitation	Acquisition & Substantial Rehabilitation	Acquisition & Substantial Rehabilitation	Acquisition & Substantial Rehabilitation
<i>Street Address</i>	1214 Labelle Street	1650 Moncrief Village North	2414 Westmont Street	4229 Moncrief Road W
<i>City Council District</i>	Garrett Dennis	Katrina Brown	Lori Boyer	Reginald Brown
<i>Units</i>	400	94	74	200
<i>Bedrooms</i>	804	178	148	504
<i>Square Feet</i>	337,932	53,720	58,238	179,848
<i># of Buildings</i>	38	26	12	23
<i># of Stories</i>	2	1 & 2	2	2
<i>Acres</i>	23.75	7.12	2.84	14.61
<i>Bond Request</i>	\$38,780,000 \$96,950/unit	\$9,190,000 \$97,766/unit	\$7,160,000 \$96,757/unit	\$20,890,000 \$104,450/unit
<i>Total Cost</i>	\$64,042,483	\$14,327,577	\$12,440,322	\$34,755,018
<i>Cost Per Unit</i>	\$160,106	\$152,421	168,112	\$173,775
<i>Land Cost</i>	\$2,600,000 \$6,500/unit	\$600,000 \$6,373/unit	\$470,000 \$6,351/unit	\$1,600,000 \$8,000/unit
<i>Acquisition of Building Cost</i>	\$23,400,000 \$58,500/unit	\$5,400,000 \$57,447/unit	\$4,230,000 \$57,162/unit	\$14,400,000 \$72,000/unit
<i>Hard Rehabilitation Cost</i>	\$21,725,475 \$64.29/Sq. Ft. \$54,314/unit	\$4,186,400 \$77.93/Sq. Ft. \$44,536/unit	\$4,118,000 \$70.71/Sq. Ft. \$55,649/unit	\$10,196,161 \$56.60/Sq. Ft. \$50,981/unit
<i>General Contractor</i>	NEI	NEI	NEI	NEI
<i>Credit Enhancement</i>				
<i>Set-Aside Period</i>	50 years	50 years	50 years	50 years
<i>Set-Aside Levels</i>	100%<60% AMI	100%<60% AMI	100%<60% AMI	100%<60% AMI

4. Bond applications were received for Georgian Estates, Pine Grove, and The Wave. Pine Grove was induced. All three were given commitments for local contribution necessary for their SAIL application. Georgian Estates did not submit a SAIL application. Pine Grove and The Waves submitted for SAIL, with The Waves the apparent winner. The Waves requests inducement, and meets all JHFA requirements (detailed analysis attached):

<b>Name</b>	<b>Georgian Estates</b>	<b>Pine Grove</b>	<b>The Waves</b>
<i>Owner Entity*</i>	SP Estates Apartments LLC	Powers Avenue Apartments LTD	The Waves of Jacksonville Ltd.
<i>Developer/Location</i>	Southport Development Tampa, FL	Richman Group of Florida West Palm Beach, FL	Jacksonville Housing Authority & Vestcor Jacksonville, FL
<i>Type</i>	New Construction Garden	New Construction Garden	New Construction Garden
<i>Street Address</i>	5678 George Court Arlington	Powers Avenue, north of intersection of Powers & Toledo Road	Nine scattered JHA public housing sites in Jacksonville Beach
<i>City Council District</i>	Joyce Morgan	Lori Boyer	Bill Gulliford
<i>Units</i>	72	168	127
<i>Bedrooms</i>	168	360	310
<i>Square Feet</i>	70,000	163,200	144,150
<i># of Buildings</i>	4	7	16
<i># of Stories</i>	2	3	2
<i>Bond Request</i>	\$7,200,000 \$100,000/unit	\$16,500,000 \$98,214/unit	\$17,750,000 \$139,764/unit
<i>Total Cost</i>	\$14,245,996	\$29,608,188	\$23,377,628
<i>Cost Per Unit</i>	\$197,861	\$176,239	\$184,076
<i>Land Cost</i>	\$550,000 \$7,639/unit	\$2,500,000 \$14,881/unit	\$0 \$1 per year lease
<i>Acquisition of Building Cost</i>	NA	NA	NA
<i>Hard Construction Cost</i>	\$8,050,000 \$111,806/unit \$115.00/Sq. Ft.	\$18,159,052 \$108,090/unit \$111.27/Sq. Ft.	\$15,068,550 \$118,650/unit \$104.53/Sq. Ft.
<i>General Contractor</i>	Vaughn Bay Construction	Summit Contracting Group	TBD
<i>Credit Enhancement</i>	FHA 221(d)(4)	Freddie Mac	Private Placement to SunTrust Bank
<i>Set-Aside Period</i>	50 years	50 years	50 years
<i>Set-Aside Levels</i>	90%<60% AMI 10%<33% AMI	90%<60% AMI 10%<33% AMI	90%<60% AMI 10%<33% AMI

5. **Recommendation:** For **The Waves**, approve Inducement Resolution prepared by bond counsel, subject to all conditions in the JHFA MF Handbook and the recommendations included in the full FA analysis of each application (part of the Board Packet).

## **V. 2013 Single Family Loan Program—Informational**

### **1. The current program guidelines:**

- 1<sup>st</sup> mortgage: 4.00%, 1% origination fee, FHA, VA, RD, and 4.5% for Freddie Mac loans
- First time homebuyers.
- Income and Sales Price limits identical to bond issue.
- Minimum credit score of 640
- Interest rate set by the HFA of Hillsborough County, with rate set at level that is anticipated to generate a premium when sold.
- Loans purchased by the master servicer (US Bank) and converted into MBS.
- MBS are purchased by the HFA's, with each HFA funding their pro rata share of the cost.
- MBS are sold, with each HFA keeping its pro rata share of any net premium or loss realized from the sale of the MBS.
- Down payment assistance: \$15,000 second mortgage, due on sale of property, or maturity of first mortgage

- Mortgage Credit Certificates providing homebuyers a credit in the amount of 50% of mortgage interest paid annually (up to a \$2,000 annually).
2. **DPA:** \$88,796 was received from FHFC. The JHFA has funded another \$1,126,010. The JHFA set the DPA amount at \$15,000 in August 2016. Loans totaling \$27,500 have paid in full.
  3. **FHFC DPA**
    - The FHFC DPA Program is available. It provides \$15,000 (forgivable loan). No loans have been originated using these funds.
  4. **Available DPA Funds:** \$1,553,000 total:
    - \$250,000 authorized by the City Council
    - At the May 2015 meeting, the Board (using the power granted under the new legislation) increased the amount of available DPA funds by \$200,000.
    - In June 2015, the Board authorized the use of an additional \$400,000
    - In September 2017, the Board authorized the use of an additional \$703,000
  5. **Rate Change:** The interest rate was increased from 3.875% to 4.00% in August 2017.

6. **Program Demographics:**

Sales Price/ # Loans	Loan Amount	Borrower Income	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	MCC Amount
\$119,485 122 loans +7 loans	\$114,656	\$42,356	35.0  45% female	2.3	SF Detached 88% Condo: 0% Townhouse: 12%  Existing: 94% New: 6%	Black: 26% White: 40% Hispanic: 17% Mixed: 0% Asian: 12% Other: 4%	\$5,499,029 \$56,112.54 avg. 98 buyers

7. **Lender Originations:** SWBC (59), Academy (26), DHI (4), Fairway (17), Prime (9), Network Funding (6), and Open (1).
8. **MCC's:** The HFA converted \$120 million of bond authority into \$30 million of MCC's. Tranche 1 (\$5.25 million) expired at the end of 2015 with \$1,109,274 not utilized. Tranche 2 (\$10.0 million) expired at the end of 2016, with \$9,668,903 not utilized. Tranche 3 (\$14.75 million) expires at the end of 2018. The average JHFA borrower uses \$54,653 of MCC's.
9. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan of \$105,000 and a 3.875%/30 year mortgage, interest payments in Year 1 = \$4.035. With the 50% MCC rate that the HFA has chosen, **the homebuyer would be able to claim a tax credit of the full \$2,000 per year maximum allowed by federal law** (slightly declining as more of monthly payment is principal) until the home buyers sells or moves from the property.

The \$2,000 of tax savings lowers the “functional” mortgage rate for the program from 3.875% to less than 1%.

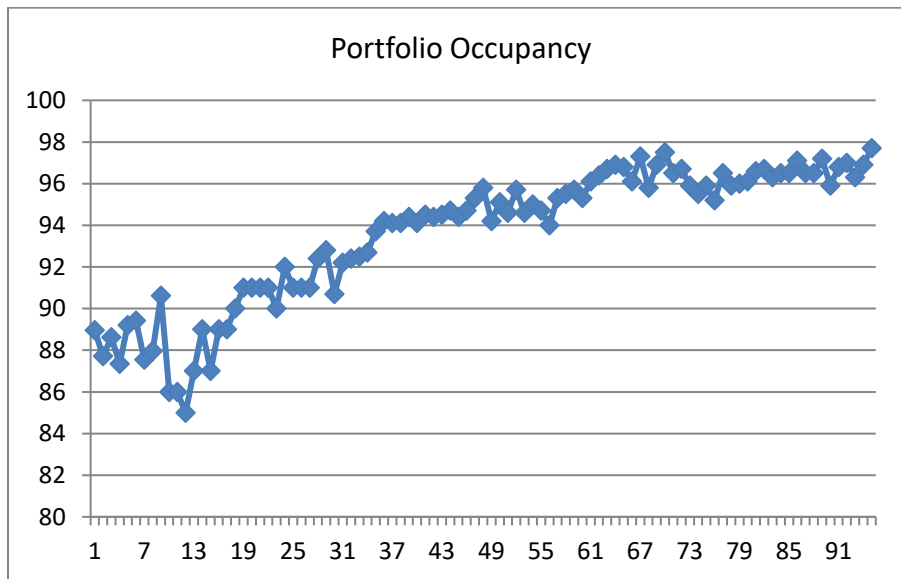
10. **MBS Sales:** The HFA has executed 48 sales, with net revenues of \$341,748 (net meaning after payments to RBC and counsel) coming to JHFA.
11. **Hedges & Exposure:** Hillsborough County has six hedges totaling \$6.555 million in place. With full delivery, the projected net revenues are estimated at 119,113 (shared pro rata with counties based upon originations). The unhedged pipeline as of November 16 is \$0 (changes daily).
12. **Size of Program:** The initial legislation wherein City Council authorized the program limited it to no more than \$1.5 million of loans in pipeline at any time. In June, the Board changed the authorization to \$1.5 million of unhedged loans. Loans originated or in progress are \$13.988 million.
13. **Recommendation:** None.

## VI. Update on Existing Rental Properties—Informational

1. JHFA marketed its bonds, JHFA loans, and JHFA local government contributions to developers. As a result, the following has been accomplished in the last three years:

Development	Location	Building Type Demographic	Units	TDC	JHFA Loan
Peyton Ridge	1800 Corporate Square Blvd	3-Story Elevator NC Elderly	120	\$16,894,456	\$115,000
Caroline Oaks	North Main, east side just south of E. 43 <sup>rd</sup> Street	3-Story Elevator NC Elderly	82	\$14,146,603	\$5.6 million bonds \$2.2 million JHFA loan
Cathedral Terrace	701 N. Ocean St.	High Rise Rehab Elderly	240	\$25,604,057	\$12.5 million bonds \$1.0 million JHFA loan
Mt. Carmel Gardens	5746 Mt. Carmel Terrace	High Rise Rehab Elderly	207	\$21,631,853	\$9.75 million bonds
Mary Eaves	East of intersection of Myrtle Ave. N. & West 16 <sup>th</sup> St.	Mid-Rise NC Elderly	80	\$13,325,568	\$300,000
Lofts at LaVilla	906 West Bay Street	Mid-Rise NC Family	130	\$23,388,174	\$265,000
Lofts at LaVilla on Monroe	1000 West Monroe Street	Mid-Rise NC Family	108	\$20,962,615	\$303,750
Houston Street Manor	615 Houston Street	Mid-Rise NC Elderly	72	\$21,185,213	\$115,000
Timberwood Trace	12250 Atlantic Boulevard	Garden Rehab Family	224	\$31,238,140	\$16.0 million bonds
Oakwood Villa	8201 Kona Avenue	Garden Rehab Family	200	\$23,092,183	\$12.7 million bonds
<b>TOTAL</b>		Garden Rehab Family	<b>1,463</b>	<b>\$211,768,862</b>	<b>\$56.55 million bonds \$4.299 million JHFA loans</b>

2. **Occupancy:** The current portfolio occupancy using a weighted average is 97.7% (+0.7%).
3. **Recommendation:** None.



## VII. 2018 State Legislative Update—Informational

1. In 2018, the legislature meets in January, rather than the regular March date.
2. This is the time to meet with legislators and deliver the message that the legislature should appropriate all monies in the housing trust funds for housing programs.
3. The appropriation of the estimated \$314.08 million in the State and Local Housing Trust Funds in FY 2018-19 for Florida's housing programs will create over 30,000 jobs and more than \$4 billion of positive economic impact in Florida.
4. The Governor released his budget recommendations, which include \$230.3 million for housing and a sweep of \$91.8 million from the housing trust funds to general revenue (note: total is \$322.1 because of inclusion of some unused funds from the current fiscal year). While an improvement from past recommendations, it is still disappointing that in the middle of an affordable housing crisis which has been exacerbated by the hurricane and the influx of American refugees from Puerto Rico, the Governor still has not recommended full funding:

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
Hurricane Recovery: SAIL Line 2224	\$ 25,000,000			
Hurricane Recovery: SHIP with limits Line 2224	\$ 65,000,000			
Hurricane Recovery: Farmworker Housing Line 2224	\$ 10,000,000			
FHFC: General Use Line 2225	\$ 76,300,000			
FHFC: SAIL Workforce Line 2225	\$ 20,000,000			
SHIP Line 2226	\$ 34,000,000			
<b>TOTAL HOUSING</b>	<b>\$230,300,000</b>			
SHTF SWEEP	\$0			
LGHTF SWEEP	\$ 91,800,000			
<b>TOTAL SWEEP</b>	<b>\$ 91,800,000</b>			
Unallocated SHTF	\$0			
Unallocated LGHTF	\$0			

5. Senator Passidomo (R-Naples) and Representative Shaw (D-Tampa) have filed bills (SB 874 and HB 191) which would prohibit use of monies in the Housing Trust Funds for non-housing activities. While researching the issue, an alternative method of prohibiting the sweeps was found, and Senator Passidomo's bill (attached) contains this improved approach (includes State and Local Housing Trust Funds in list of trust funds where sweeps are not permitted). While we hope this legislation can move forward, its major purpose is to draw attention to the issue of housing funding and increase pressure in the appropriations process.
6. A press conference was held with Senator Passidomo, Representative Shaw, other legislators, and the Sadowski Coalition—which generated press coverage of the issue of the need for full housing funding.
7. Legislation has also been filed which would grant tax exemption to all local HFA notes and mortgages, not just those associated with bond issues. The legislation is sponsored by Senator Perry (R-Gainesville)—SB 730, and by Representative Hahnfeldt (R-The Villages)—HB 607. This will be an uphill battle, as we will need to get the legislation included in the large tax package (individual tax exemption bills will not pass—but you must be heard in at least one committee to be eligible to be amended onto the larger tax bill later in the session).
8. **Recommendation:** Meet with legislators.

### **VIII. Federal Legislative Update—Informational**

1. The US House has passed its version of a tax bill, which includes elimination of all private activity bonds. Housing bonds would be eliminated if this bill becomes law in its current form—meaning that no tax-exempt housing bonds or mortgage credit certificates would be permitted after December 31, 2017.
2. The US Senate’s version of the tax bill does NOT include elimination of private activity bonds.
3. We are working with NALHFA and in a coalition with New York, California and Texas housing advocates to push for the preservation of housing bonds. This effort has generated coverage in the Wall Street Journal, USA Today, CNBC, and other national media outlets. Attached is an Op-Ed piece published November 16 in the Orlando Sentinel.
9. **Recommendation:** Contact Senators Rubio and Nelson to urge them to advocate for the Senate’s position on private activity bonds when (and if) the tax bill goes to conference.

# OCCUPANCY LEVELS

10-31-17

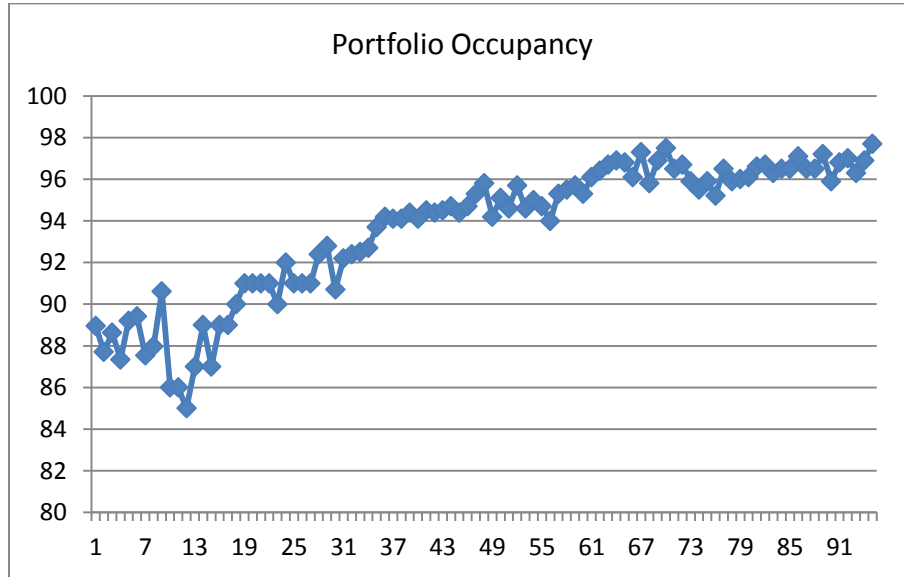
Active Rental Developments—Bond Financed by DCHFA or JHFA

Development & Address	Developer	Original Bonds & Issue Date	Units & Occupancy
Bennett Creek 3585 Salisbury Drive 32216	Richman	\$21,600,000 12-21-10	264 99% (+3%)
Brookwood Forest Apartments 1251 Fromage Way 32225	CED	\$10,000,000 2005	168 96% (+0%)
Camri Green Apartments 3820 Losco Road 32257	Vestcor	\$9,200,000 2003	184 98% (-2%)
Caroline Oaks	Vestcor	\$5,600,000 4-22-15	82 100% (+0%)
Cathedral Terrace	Blue Sky	\$12,500,000 1-21-16	200 98% (+1%)
Christine Cove 3730 Soutel Dr 32208	Carlisle	\$6,000,000 2006	96 99% (+1%)
Hartwood (AKA Hampton Ridge) 11501 Harts Road 32218	Southport	\$5,840,000 2006	110 94% (-3%)
Mt. Carmel Gardens 5846 Mt. Carmel Terrace 32216	BREC	\$9,750,000 8-19-16	207 Rolling Rehab 81%
Oakwood Terrace 8201 Kona Avenue	Southport	\$12,700,000 6-30-17	200 Rolling Rehab 88%
Timberwood Trace 12250 Atlantic Blvd. 32225	Southport	\$16,000,000 2-1-17	224 97% (-3%)
Timuquana Park Apartments 5615 Seaboard Ave. 32244	Southport	\$4,300,000 2004	100 100% (+1%)

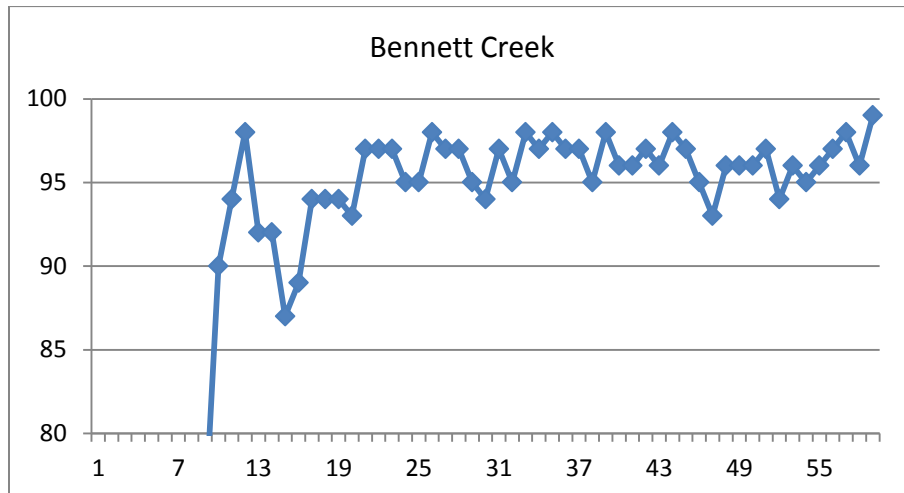
# OCCUPANCY LEVELS

10-31-17

## 94 Month Occupancy Levels—Entire Portfolio Average Occupancy



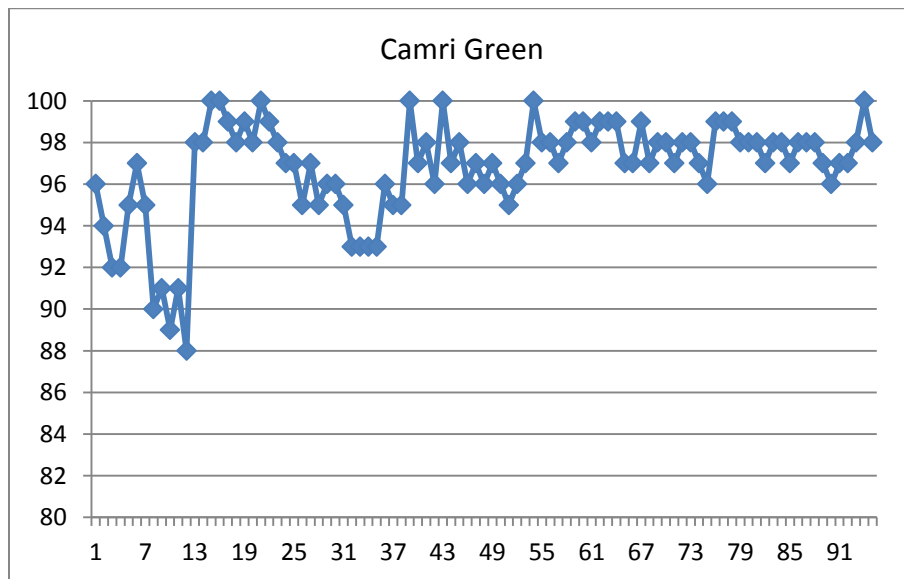
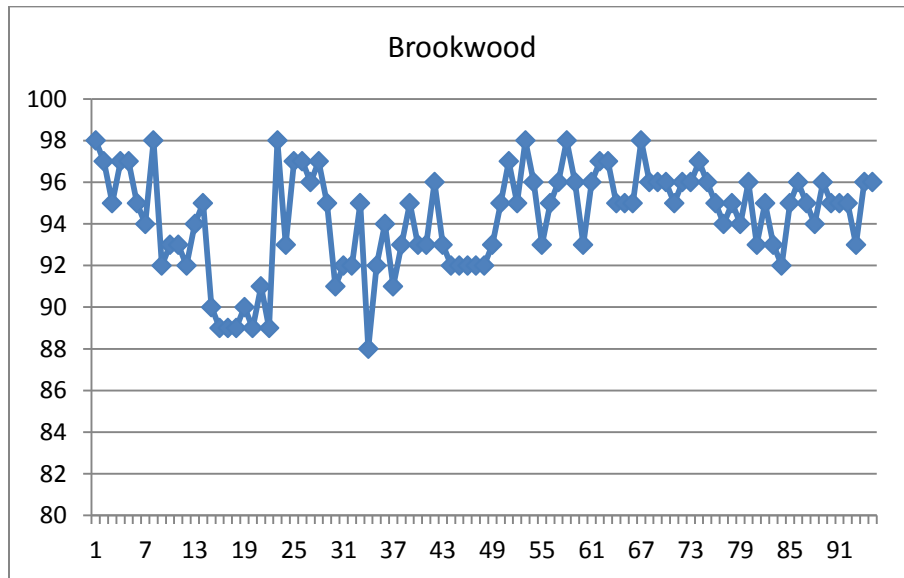
## Average Occupancy by Development



# OCCUPANCY LEVELS

10-31-17

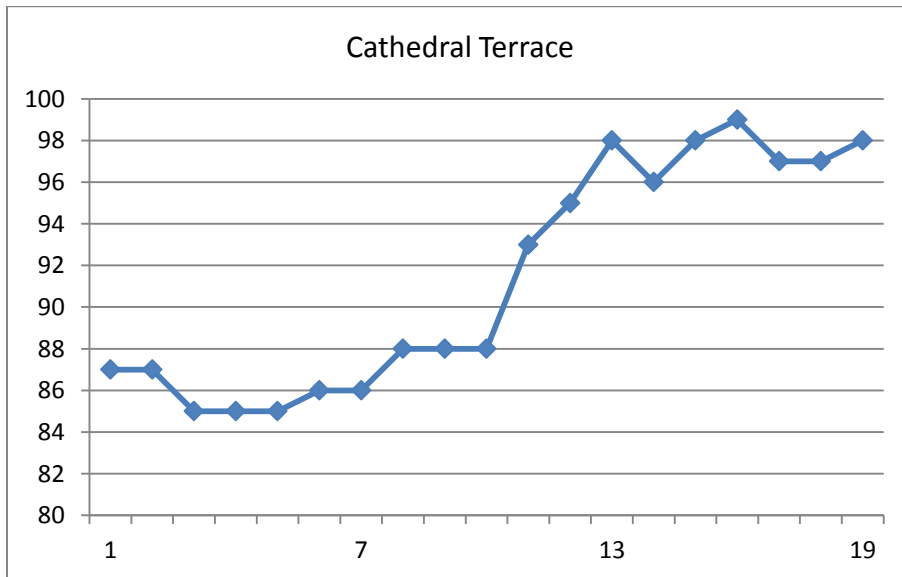
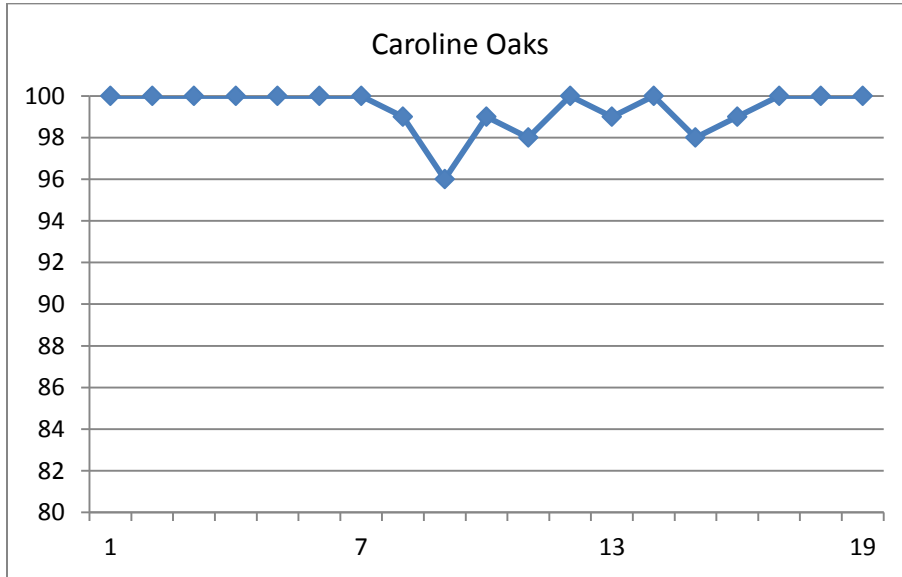
## Average Occupancy by Development



# OCCUPANCY LEVELS

10-31-17

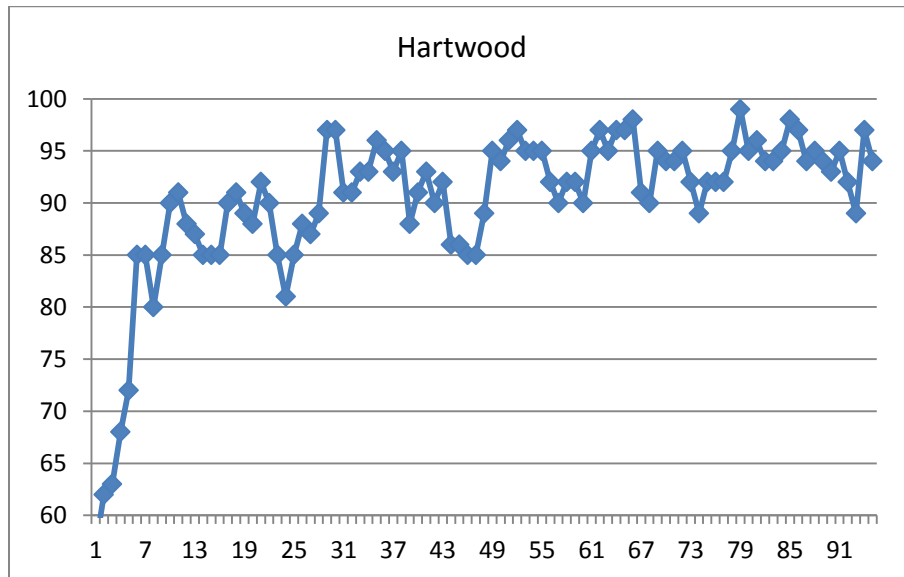
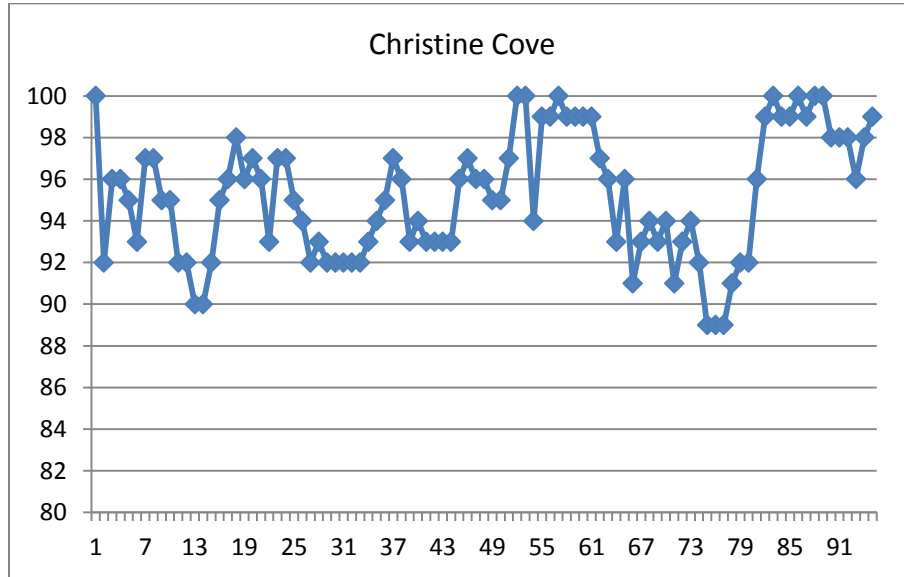
## Average Occupancy by Development



# OCCUPANCY LEVELS

10-31-17

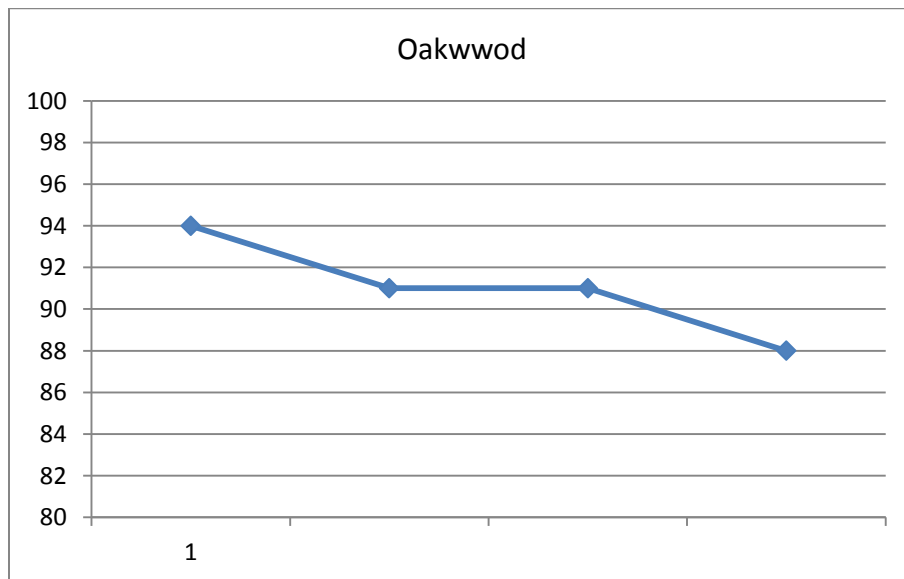
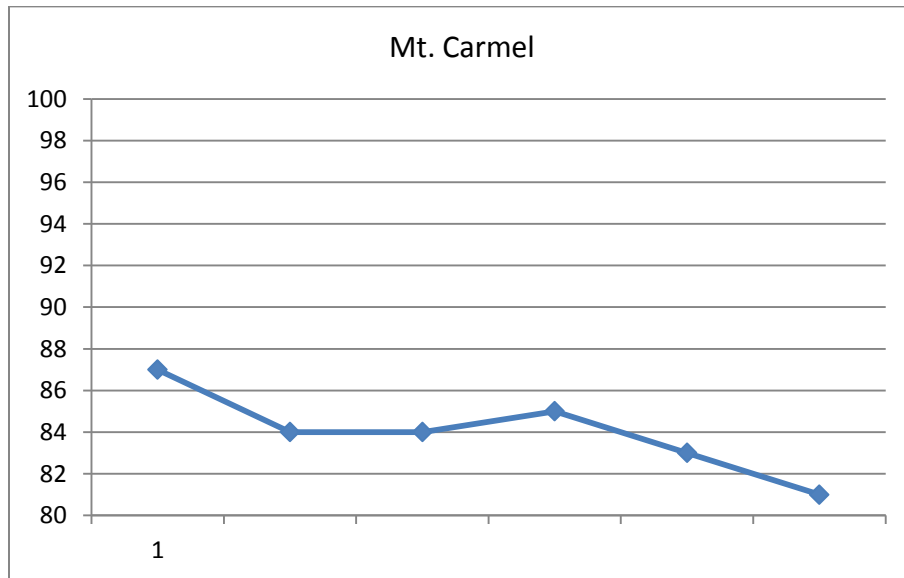
## Average Occupancy by Development



# OCCUPANCY LEVELS

10-31-17

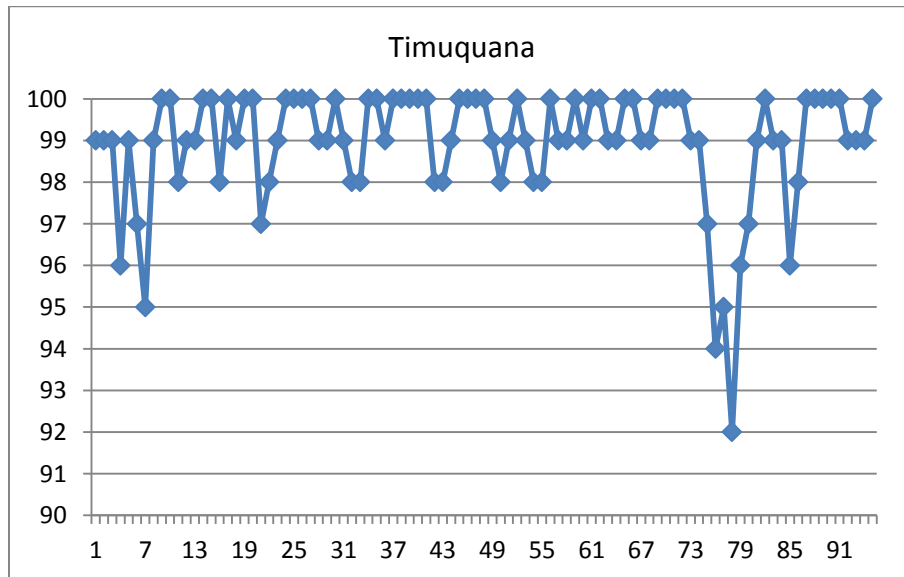
## Average Occupancy by Development



# OCCUPANCY LEVELS

10-31-17

## Average Occupancy by Development



# ANALYSIS OF LOAN REQUESTS

## LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING

### 1. FHFC Required Funding Levels

Minimum Local Government Area of Opportunity Funding Amounts	
Building Type*	Total Amount of Loan(s)/Grant(s)
Garden-Wood (NC)	\$472,000
Garden-Concrete (NC)	\$567,500
Mid-Rise-Wood (NC)	\$567,500
Mid-Rise-Concrete (NC)	\$625,750
High-Rise (NC)	\$747,000
Garden (Rehab)	\$396,750
Non-Garden (Rehab)	\$559,000

### 2. Summary of Applications

The 2018 NOFA had a November 8, 2017 due date. Four applications were received with correct fees. A summary of the proposed developments:

NAME LOCATION	DEVELOPER /CONTACT	UNITS	DEMOGRAPHIC & DESIGN	TDC COST PER UNIT	JHFA LOAN REQUEST	Hard Cost/Unit
<b>Bay Street Apartments</b> Bay Street (southwest of Bay and Johnson)	Richman Group of Florida Todd Fabbri	100	Family Mid-Rise 4-Story with Elevator & Parking Deck New Construction	\$20,602,905 \$206,029/unit	\$567,500	\$132,378 64 % of TDC
<b>Lofts at Jefferson Station</b> 799 Water Street NW corner of Main & W. 4 <sup>th</sup>	Vestcor Ryan Hoover	98	Family Mid-Rise 4-Story with Elevator & Parking Deck (1 building) New Construction	\$20,943,699 \$213,711/unit	\$225,750	\$141,750 66% of TDC
<b>Lofts at Lee</b> Church Street West, NW of intersection f Church St. W. & N Davis St.	Vestcor Ryan Hoover	116	Family Mid-Rise 4-Story with Elevator & Parking Deck (1 building) New Construction	\$22,034,264 \$189,951/unit	\$625,750	\$128,363 68% of TDC
<b>Springfield Plaza</b> 1424 N. Main Street Immediately east of Lofts at La Villa by Jefferson Station	Roundstone Bob Colvard	96	Family Mid-Rise 4-Story with Elevator &; Outdoor parking; Retail on 1 <sup>st</sup> floor (1 building) New Construction	\$19,508,242 \$203,211/unit	\$625,750	\$127,996 63% of TDC

**3. Threshold Criteria & Analysis:** All Applicants except Springfield Plaza meet threshold requirements.

Development Applicant	Project must be located within Duval County	Evidence of ownership or other legal control of site	Set-aside of rental units equal to or greater than the standards for LIHTC or applicable FHFC program	Evidence of land use and zoning authorizing the use of the of the property for multifamily residential uses
<b>Bay Street Apartments</b>  Bay Street Apartments, Ltd.	<b>Yes</b>  Bay Street (southwest of Bay and Johnson)	<b>Yes</b>  Site control via contract for purchase and sale	<b>Exceeds</b>  90%<60% AMI 10%<33% AMI  Perpetuity	<b>Yes</b>  PBF-2 with Downtown Overlay District  FHFC Zoning Form executed by City
<b>Lofts at Jefferson Station</b>  Lofts at LaVilla 2, Ltd.	<b>Yes</b>  799 Water Street	<b>Yes</b>  Site control via Contract for Purchase & Sale	<b>Exceeds</b>  71.4%<60% AMI 18.4<33% AMI 10.2%<140% AMI  Perpetuity	<b>Yes</b>  CCG-1 Downtown Overlay District  FHFC Zoning Form executed by City
<b>Lofts at Lee</b>  LaVilla IV LLC.	<b>Yes</b>  Church Street West, NW of intersection f Church St. W. & N Davis St.	<b>Yes</b>  Site control via Contract for Purchase & Sale	<b>Exceeds</b>  89.7%<60% AMI 10.3<33% AMI  Perpetuity	<b>Yes</b>  CRO Downtown Overlay District  FHFC Zoning Form executed by City
<b>Springfield Plaza</b>  RST Springfield Plaza, LP.	<b>Yes</b>  1424 N. Main Street.	<b>No</b>  Site control via Contract for Purchase & Sale, but no Title Insurance Commitment	<b>Exceeds</b>  80.2%<60% AMI 19.8<33% AMI  75 years	<b>Yes</b>  CCG-S  FHFC Zoning Form executed by City

- The application requires a “Title Insurance Commitment showing marketable title in the name of the Seller”.
- This requirement was designed to make sure that the seller on the contract actually controlled the land and there were no issues that would prevent the sale to the applicant.
- This is an old FHFC requirement, that has been removed from their application and other JHFA applications.
- However, it was required by this application, and the title insurance commitment was provided by the other three applicants.
- The JHFA Board has to right to waive any requirement of an application. If the requirement is not waived, the Springfield Plaza application fails threshold.

#### 4. Summary of Loan Requests:

DEVELOPMENT	LOAN REQUEST	LOAN TERM	NPV COST	LOAN RATE	COMMENTS
Bay Street Apartments	567,500	18 years  35 year amortization Cash Flow Balloon year 18	\$297,176-\$346,473  \$2,972-\$3,465/unit	1%	Amount required for mid-rise wood by FHFC RFA 2017-113
Lofts at Jefferson Station	\$225,750	15 years  15 year amortization Hard Pay	\$62,860  \$655/unit	1%	Amount required for mid-rise concrete building by FHFC RFA 2017-113, when combined with \$400,000 provided by Downtown Investment Authority
Lofts at Lee	\$625,750	15 years  15 year amortization Hard Pay	\$174,241  \$1,502/unit	1%	Amount required for mid-rise concrete building by FHFC RFA 2017-113
Springfield Plaza	\$625,750	10 years  Interest only Balloon year 10	\$231,826  \$1,062-\$2,290/unit	2%	Amount required for mid-rise concrete building by FHFC RFA 2017-113

#### 5. Project Selection Criteria

Those in **BLACK** are from Ordinance 2014-185-E

Those in **RED** are from JHFA Board

- Project feasibility as determined by:
  - ✓ Applicant's development and construction experience;
  - ✓ Applicant's management experience; and
  - ✓ Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service, coverage ratios, the percentage of public monies requested compared to project cost; leveraging)
- Applicant's performance and/or compliance (including any prior defaults) of any prior loans or contracts with the JHFA or the City;
- The extent to which social services and assistance is offered to occupants (including, but not limited to, job training, computer training, home purchase assistance, health-related support);
- The extent to which there is temporary (for any rehabilitation projects) or permanent displacement of existing tenants (then in which event either shall be scored as a negative factor); and,
- The following shall receive emphasis in scoring:
  - Existing projects with either expiring Section 8 rental assistance contracts, or
  - The preservation of projects that have expiring affordable housing land use restrictions.

- The JHFA established the following funding priorities for Applicants applying for the Local Government Area of Opportunity Funding:
  - ✓ Location within the boundaries of the Jacksonville City Limits (Pre-Consolidation, 1968)
  - ✓ FHFC category of “Family” demographic
  - ✓ Maximum Economic Impact
  - ✓ Developments which provide a lift to the neighborhood, and could lead to additional revitalization and/or neighborhood improvement
  - ✓ Projects that result in the adaptive reuse or redevelopment of existing structures or properties
  - ✓ Proximity to public transportation
  - ✓ Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level, and leveraging of JHFA funds with other funds to achieve greater impact on the community/neighborhood
  - ✓ Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term.
  - ✓ Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA

6. **Analysis of Developments Using Project Selection Criteria:**

CRITERIA	APPLICATIONS
Development, construction & management experience	All Applicants have extensive experience
Financial feasibility to complete and operate the development	All deals appear economically feasible
Applicant’s performance and/or compliance on any prior loans or contracts with JHFA or the City	Bay Street/Richman: Successful Bennett Creek bond loan Lofts at Jefferson Station/Vestcor: Multiple loan with JHFA and City. Lofts at Lee/Vestcor: Multiple loans with JHFA and City Springfield Plaza/Roundstone: no loans
Social services and assistance offered to residents (job training, computer training, home purchase assistance, health-related support, and others)	All will have to meet FHFC standards.  Bay Street described amenities and programs in detail, including additional programs not required by FHFC  All others provide list of amenities and programs  Springfield Plaza commits to Green Building
Temporary or permanent displacement of existing tenants (negative factor)	None
Priority for developments with expiring Section 8 contracts or affordable housing land use restriction agreements	None

CRITERIA	APPLICATIONS
Location within the boundaries of the Jacksonville City Limits (Pre-Consolidation 1968)	All located within this area
Family Demographic	All are family demographic.
Maximum Economic Impact	<p>Direct economic impact from construction:  Bay Street: \$13.23 million  Lofts at Jefferson Station: \$13.89 million  Lofts at Lee: \$14.89 million  Springfield Plaza: \$12.29 million</p> <p>Property Tax Estimates:  Bay Street: \$80,000/year  Lofts at Jefferson Station: \$185,000/year  Lofts at Lee: \$70,000/year  Springfield Plaza: \$60,000/year</p> <p>Other:  Lofts at Jefferson Station: will include 10% of the units for workforce housing (up to 140% of AMI—bringing more buying power to the neighborhood</p> <p>Springfield Plaza: will include retail development on ground floor of development, encouraging business development in the neighborhood</p>
Developments which provide neighborhood lift & could lead to additional revitalization	<p>All four deals will provide neighborhood lift &amp; could lead to additional revitalization.</p> <p>Both Lofts applications gave detailed descriptions of how they meet all seven goals of the City's 2015 Redevelopment Plan.</p>
Developments that result in the adaptive reuse or redevelopment of existing structures or properties	Springfield Plaza is leaving one existing building in place which will be part of the commercial space on the ground floor of the development
Proximity to Public Transportation	<p>Bay Street and Lofts at Jefferson Station located at a Skyway Transit Station</p> <p>All developments located near exiting bus lines</p>
Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level	Lofts at Jefferson Station reduces the JHFA loan to 40% of the other developments via a commitment from the Downtown Investment Authority for 64% of the required FHFC loan amount.
Leveraging of JHFA funds with other funds to provide greater impact on neighborhood & community	Lofts at Jefferson Station

CRITERIA	APPLICATIONS
Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term	<p>Springfield Plaza will pay off loan in 10 year (balloon)</p> <p>Both Lofts deals pay off loans in 15 years (fully amortizing)</p> <p>Bay Street will pay off loan in 18 years (35 year amortization schedule, with balloon in year 18)</p>
Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA	<p>Bay Street: Perpetuity</p> <p>Lofts at Jefferson Station: Perpetuity</p> <p>Lofts at Lee: Perpetuity</p> <p>Springfield Plaza: 75 years</p>

## 7. **Back-Up Development**

- If the JHFA only selects the “preference” development, and it fails threshold in the FHFC scoring due to an error by the applicant, Jacksonville would not receive any funding.
- It is prudent to pick at least one back-up development to increase the probability that Jacksonville will receive at least one development.
- The FHFC system gives automatic proximity points to the preference development. Other developments are scored based upon proximity to services and to other FHFC developments that have been funded, but not yet built/stabilized. If a development is within two miles of one of these developments, it will fail threshold.
- As a result of the Lofts at LaVilla, Lofts at LaVilla on Monroe, and Houston Street Manor deals being on the proximity list, no family or elderly deal (other than the preference deal) may be located within 0.5 miles of any of those deals and meet FHFC threshold requirements.
- Only Springfield Plaza is outside of the 0.5-mile radius
- Selecting a back-up development can be accomplished by selecting Springfield Plaza as the back-up, or by issuing another NOFA for that purpose (no applications were received under this NOFA for back-up deals, although that was allowed under the NOFA).

## 8. **Development Analysis:**

- **Bay Street:**
  - ✓ Highest cost to JHFA
  - ✓ Continued redevelopment of LaVilla neighborhood
  - ✓ Located at transit stop (Convention Center)
  - ✓ Commitment for services and assistance to residents beyond FHFC requirements
  - ✓ Longest loan term with highest NPV cost to JHFA

- **Lofts at Jefferson Station:**
  - ✓ Least cost to the JHFA, due to Downtown Investment Authority contribution of 62% of total required amount (both in actual dollars and NPV)
  - ✓ Continued redevelopment of LaVilla neighborhood
  - ✓ Located at transit stop (Jefferson Station)
  - ✓ Commitment for services and assistance to residents
  - ✓ Clear description of how development meets goals of City's 2015 Redevelopment Plan
  - ✓ Clear and detailed answers to all selection criteria
  - ✓ Includes 10% workforce housing (140% AMI)
- **Lofts at Lee:** Similar to Lofts at Jefferson Station, except that the cost to the JHFA is doubled, does not include workforce income level units, and not located at transit stop.
- **Springfield Plaza**
  - ✓ Redevelopment of Springfield neighborhood
  - ✓ Includes commercial space
  - ✓ Green building
  - ✓ Minimal description of resident programs and services
  - ✓ 19.8% Extremely Low-Income units (10% required by FHFC)
  - ✓ Shortest loan term (10 years)

**9. Recommendations:**

- Determine if the Board will waive the requirement for the title insurance commitment—allowing the Springfield Plaza application to be considered for LGAOF funding and/or selection for a local government contribution (back-up).
- Select one application for funding level that will allow the applicant to receive the Local Government Area of Opportunity Funding points in FHFC scoring under RFA 2017-113
- Establish term of loan and amortization, if any.
- All loan commitment and loans governed by Ordinance 2014-185-E.
- Authorize the Chairman to sign loan commitment letter, and authorize Chair or other Board member to execute loan documents, including subordinations and extension of loan commitment up to 30 days after senior loan closing date;
- Request the Mayor or other official permitted by FHFC to sign the FHFC form required to verify the local government contribution.
- Loan to be evidenced by Promissory Note and Mortgage, with anticipated second mortgage position (subject to all loan documents and due diligence necessary to evidence and complete the transaction). Loan documents to include a Land Use Restriction Agreement with all Applicant commitment (City programs, length of set-aside, income restrictions).
- Loan commitment expiration date of December 31, 2018.
- Select one development to receive a loan commitment at the level (\$115,000/0%/20 years/interest only with balloon) which would meet FHFC proximity threshold scoring to serve as a backup, or authorize NOFA for this purpose and schedule special meeting to consider any applications.

**Applications Due: November 8, 2017**  
**for**  
**LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING REQUESTS**  
**In Conjunction with FHFC RFA 2017-113**

**JACKSONVILLE HOUSING FINANCE AUTHORITY**

**NOTICE OF FUND AVAILABILITY &  
REQUEST FOR APPLICATIONS**

The Jacksonville Housing Finance Authority (the "Authority") announces the availability of funds and is requesting applications for the consideration of providing local government support for qualified multifamily housing developments which meet the goals of the Authority and comply with applicable federal and state law. The Authority has adopted the following guidelines to set forth the general requirements and procedures that apply to the financing of multifamily housing developments. The Authority may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the Authority, and may require approval by the Jacksonville City Council. In addition, these guidelines may be amended, revised, repealed or otherwise altered by the Authority with or without notice. The Authority specifically welcomes requests for proposed alternative resident programs or development/unit features.

All applications submitted will be reviewed by the Authority's Financial Advisor, who will make recommendations to the Board. The Board will decide whether or not to authorize commitment letters and loans providing Local Government Area of Opportunity Funding for developments seeking FHFC Housing Credits in conjunction with FHFC RFA 2017-113 and/or loans providing Local Government Contributions in conjunction with FHFC RFA 2017-113. Submission of an application does not entitle the Applicant to financing, even if sufficient funds remain.

The Authority will not consider issuing commitment letters to provide financing for any development unless the applicant has satisfied the general requirements set forth in these guidelines, submits a timely, complete, and acceptable application and complies with all of the procedures and requirements contained within the Authority's application procedures and program guidelines. Copies of the Application are available at the Authority's website:

<http://www.coj.net/departments/independent-boards-and-agencies/jacksonville-housing-finance-authority/multifamily-programs.aspx>

The Authority reserves the right to impose additional requirements on any particular development. Compliance with these guidelines does not and shall not create any right by an applicant to a commitment or assurance that the Authority will provide the requested financing.

The Authority provides local government support to assist in the construction, rehabilitation and permanent financing of multifamily housing developments. The estimated amount of funds available for local government support is approximately \$1,500,000. Up to this amount can be used for multifamily developments seeking Housing Credits from FHFC pursuant to FHFC RFA 2017-113, and Local Government Area of Opportunity Funding from JHFA.

**The maximum amount of the Local Government Support loans funded pursuant to this NOFA is the amount that will allow an Applicant to receive the maximum points for the Local Government Area of Opportunity Funding. One loan made in conjunction with FHFC RFA 2017-113 will be in the dollar amount necessary to score the maximum amount of points for the Local Government Area of Opportunity Funding, while another loan will be in the dollar amount necessary to score the maximum number of points for the Local Government Contribution.**

All applications received will compete with each other and be selected by the Authority for the available funding. Applications will be reviewed against the criteria listed below and, if selected, each loan will be subject to the minimum loan terms stated below.

Applications related to FHFC RFA 2017-113 or any other FHFC RFA are due no later than 5:00 PM, Eastern Standard Time, **November 8, 2016**. The application cycle will be processed according to the Authority's guidelines (which guidelines provide, however, that any remaining allocation-available after the application cycle may be made available to applicants on a first-come, first-served basis). For more information, contact Mark Hendrickson.

Applicants must submit an original and a total of two (2) copies to the Authority as follows:

**An original, one (1) hard copy, and a PDF of the entire application, and a \$5,000 application fee (check to JHFA) to:**

Jacksonville Housing Finance Authority  
Laura Stagner, Director of Finance  
214 North Hogan Street, 3rd Floor  
Jacksonville, FL 32202  
PDF to be emailed to [lstagner@coj.net](mailto:lstagner@coj.net)

**One (1) hard copy and a PDF of the entire application, and \$2,500 review fee (check made out to The Hendrickson Company) to:**

Mark Hendrickson  
1404 Alban Avenue  
Tallahassee, Florida 32301  
Contact: Mark Hendrickson, 850.671.5601 [mark@thehendricksoncompany.com](mailto:mark@thehendricksoncompany.com)

## **GUIDELINES**

### **1. PROJECT THRESHOLD CRITERIA**

- Project must be located within Duval County, Florida;
- Applicant must provide evidence of ownership or other legal control of the project site (e.g., a contract or option to purchase the project site);
- Applicant must provide a set-aside of rental units equal to or greater than the standards for low income Housing Tax Credits or applicable FHFC Program, as the case may be; and,
- Project must have evidence of land use and zoning authorizing the use of the property for multi-family residential uses.

### **2. PROJECT SELECTION CRITERIA**

- Project feasibility as determined by:
  - ✓ Applicant's development and construction experience;
  - ✓ Applicant's management experience; and
  - ✓ Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service, coverage ratios, the percentage of public monies requested compared to project cost; leveraging)

- Applicant's performance and/or compliance (including any prior defaults) of any prior loans or contracts with the JHFA or the City;
- The extent to which social services and assistance is offered to occupants (including, but not limited to, job training, computer training, home purchase assistance, health-related support);
- The extent to which there is temporary (for any rehabilitation projects) or permanent displacement of existing tenants (then in which event either shall be scored as a negative factor); and,
- The following shall receive emphasis in scoring:
  - ✓ Existing projects with either expiring Section 8 rental assistance contracts, or
  - ✓ The preservation of projects that have expiring affordable housing land use restrictions.
- **The JHFA established the following funding priorities for Applicants applying for the Local Government Area of Opportunity Funding:**
  - ✓ **Location within the boundaries of the Jacksonville City Limits (Pre-Consolidation, 1968)**
  - ✓ **FHFC category of "Family" demographic**
  - ✓ **Maximum Economic Impact**
  - ✓ **Developments which provide a lift to the neighborhood, and could lead to additional revitalization and/or neighborhood improvement**
  - ✓ **Projects that result in the adaptive reuse or redevelopment of existing structures or properties**
  - ✓ **Proximity to public transportation**
  - ✓ **Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level, and leveraging of JHFA funds with other funds to achieve greater impact on the community/neighborhood**
  - ✓ **Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term.**
  - ✓ **Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA**

Note: A map is included with the NOFA that shows the boundaries of the Jacksonville City Limits, (Pre-Consolidation, 1968). If you are unsure if a site is within that area, you may submit the site to Mark Hendrickson ([mark@thehendricksoncompany.com](mailto:mark@thehendricksoncompany.com)) who will consult with the City and provide a determination prior to the application deadline.

### 3. LOAN TERMS:

#### **To be determined at time of loan commitment(s). The following will apply to all JFHA loans:**

The loan amount for Applicants seeking a Local Government Area of Opportunity Funding loan will depend upon development type, and are detailed within FHFC RFA 2017-113. The terms for such loans are:

- ✓ Loan Amount to be determined by development type, as detailed in FHFC RFA 2017-113
- ✓ Term of loan to be the minimum required by FHFC RFA 2017-113 or for development financial feasibility
- ✓ Monthly payment schedule
- ✓ Amortizing or non-amortizing, but amortizing preferred
- ✓ 0% interest possible, but not preferred
- ✓ Loan due in full in balloon payment at end of loan period if not already amortized
- The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.
- Each loan shall be evidenced by a promissory note in the full-face amount of the Local Government Support, and secured in its entirety by a subordinate lien mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.

- The loan shall not be disbursed until the following minimum due diligence is received and satisfactory (however, additional requirements may be necessary for the project): mortgagee title insurance policy (or a marked-down commitment for the same), boundary survey certified to the JHFA, environmental site assessments certified to the JHFA, and evidence of concurrency and all permits authorizing construction of the project.
- The loan shall be issued in the name of the JHFA. Such loan shall be reviewed, implemented, and administered by the JHFA.

#### 4. **FEES**

- \$5,000 Application fee due with original application, check made out to JHFA
- \$2,500 Review fee, due with copies of application, but mailed to and check made out to The Hendrickson Company
- \$5,000 Closing Fee, due at loan closing.

#### 5. **DISCLAIMER**

The JHFA is taking no responsibility that FHFC in their initial scoring, or in any scoring revisions that take place due to legal disputes between applicants in FHFC RFA 2017-113, or any other FHFC RFA, related to the NPV calculation or the calculation for the Area of Opportunity Funding. JHFA is assuming NO LIABILITY if FHFC or any judicial or quasi-judicial body comes to a conclusion that the funding levels or loan terms do not qualify the Applicant for the Local Government Area of Opportunity or Local Government Support points within the FHFC RFA/Application.

If approved for a loan, and with that understanding, if you would like to have a local government contribution loan form executed by the City, please fill out the form and submit to both Laura Stagner and Mark Hendrickson prior to the submission deadline.

# THE HENDRICKSON COMPANY

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## MEMORANDUM

To: Jacksonville Housing Finance Authority Board of Directors

From: Mark Hendrickson, Financial Advisor

Subject: Analysis of The Waves Bond Application

Date: November 17, 2017

Attached is an analysis of The Waves bond application. Several items used in the analysis were requested after receipt of the application, and this is part of the normal review process. All additional materials were forwarded to Laura Stagner to be made part of the permanent public record.

### I. Summary of Findings

#### A. Summary of key criteria:

Question	The Waves
Are the developments economically feasible as submitted?	Yes
Are the costs/fees associated with the development reasonable and appropriate?	Yes
Is the experience of the development team adequate?	Yes
If feasible, is it ready to proceed to closing in 2018?	2 <sup>nd</sup> Quarter 2018
Is the product being proposed adequate in terms of design and amenities?	Yes
Is the product being proposed adequate in terms of ongoing resident services?	Yes
Are the income targeting and length of set-aside adequate?	Yes
Any special impact on redevelopment?	Yes, replacing old public housing & in DDA
Did the responses within the application contain adequate responses to important questions, relating to financing and other key issues?	Yes
Recommend Inducement?	Yes

# THE HENDRICKSON COMPANY

## B. Summary of the Proposed Development

Name	The Waves
Owner Entity*	The Waves of Jacksonville Ltd.
Developer/Location	Jacksonville Housing Authority & Vestcor Jacksonville, FL
Type	New Construction Garden
Street Address	Nine scattered JHA public housing sites in Jacksonville Beach
City Council District	Bill Gulliford
Units	127
Bedrooms	310
Square Feet	144,150
# of Buildings	16
# of Stories	2
Bond Request	\$17,750,000 \$139,764/unit
Total Cost	\$23,377,628
Cost Per Unit	\$184,076
Land Cost	\$0 \$1 per year lease
Acquisition of Building Cost	NA
Hard Construction Cost	\$15,068,550 \$118,650/unit \$104.53/Sq. Ft.
General Contractor	TBD
Credit Enhancement	Private Placement to SunTrust Bank
Set-Aside Period	50 years
Set-Aside Levels	90%<60% AMI 10%<33% AMI

## C. Summary of Findings and Recommendations for Georgian Estates, Pine Grove & The Waves

1. The development appears economically feasible with SAIL funds.
2. The development's amenities and resident programs meet or exceed minimum JHFA requirements.
3. The costs and fees associated with the development appear to be reasonable.
4. The energy efficiency items meet JHFA standards.
5. Each site is controlled by the Applicant, has proper zoning, and has evidence of availability of water, sewer, roads and electricity. The transactions could close in the second and third quarter of 2018.
6. The developer and development team have extensive experience in affordable housing, and have successfully closed bond deals with JHFA.
7. The credit underwriter will order and evaluate an independent market analysis.

# THE HENDRICKSON COMPANY

## 8. **Recommendations:**

- Permit The Waves to proceed through the JHFA financing process.
  - Adopt Inducement Resolution prepared by bond counsel, which includes Preliminary Agreements.
  - All items subject to review and approval of credit underwriter and counsel, including but not limited to preconstruction analysis, appraisal, market study, loan terms and amount, guaranties, credit enhancement, loan and bond documents.
  - All items subject to conditions in this memorandum and each development's individual memorandum.
- 

## **II. The Waves Analysis:**

The Waves is a proposed 127-unit scattered-site new construction garden apartment development in Jacksonville Beach. The units will replace old Jacksonville Housing Authority public housing units. The development is located in a Qualified Census Tract (low income area).

### **A. Financing & Cost Analysis:**

1. The financing structure uses privately placed tax exempt bonds—providing access to 4% Housing Credits.
2. The Applicant provided a letter of interest for the private placement of the bonds to SunTrust Bank. The commitment is for both the construction and period loan periods. The loan (bonds) would have a 17 year term, 30 year amortization, and an interest rate of 75% of the sum of 1-month LIBOR plus 2.75%). \$17.75 million would be issued for construction financing, with \$6.6 million to remain outstanding for the permanent loan period.
3. The Applicant provided a Letter of Interest for Housing Credit syndication from Wells Fargo Bank. The price is \$0.96 per \$1 of credits.
4. The Applicant is applying for SAIL, and the deal would likely not work as currently structured without SAIL, or an equivalent source of gap financing. The Applicant states that they would attempt to build the development without SAIL, seeking other subsidies, using market rate units, or some combination of the two.
5. The developer proposes to defer \$1,262,729 of the \$3,566,078 developer fee (35%).

### **6. Financing & Cost Issues:**

- The financing commitments are adequate for this stage of the process.

# THE HENDRICKSON COMPANY

## B. Sources:

### Permanent Loan Period

Source	\$	Per Unit	% of Development Cost
Tax Exempt Bonds	\$ 6,600,000	\$ 51,969	28%
Housing Credits	\$ 7,799,899	\$ 61,416	33%
SAIL & ELI	\$ 7,600,000	\$ 59,843	33%
JHFA Loan	\$ 115,000	\$ 906	<1%
Deferred Developer Fee	\$ 1,262,729	\$ 9,943	5%
<b>TOTAL</b>	<b>\$23,377,628</b>	<b>\$184,076</b>	<b>100%</b>

## C. Development Information, Including Design and Amenities

Unit Mix Phase I		
Bedroom/Baths	Number	Square Footage
1/1	14	750
2/2	56	900
3/2	44	1,100
4/2	13	1,300

1. The Waves is a proposed 127 unit new construction family development, in sixteen garden apartment buildings located on nine sites in Jacksonville Beach, one with a clubhouse.
2. In addition to meeting all building code, Fair Housing Act, and Americans with Disabilities Act requirement, the following are also required amenities:
  - Air conditioning
  - Dishwasher
  - Garbage Disposal
  - Cable TV hook-up
  - At least two full bathrooms in all 3 bedroom and larger units
  - At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all 2 bedroom units
  - Minimum square footage of 600 square feet (one bedroom), 850 square feet (2 bedroom), and 1,050 square feet (3 bedroom)
  - Full sized appliances in all units
  - Bathtub in at least one bathroom
  - Exterior lighting for all buildings and parking areas
  - Window Treatment: blinds

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3. Unit amenities (in addition to those required) include:
  - Microwave
  - Fire sprinklers in all units
  - Steel entry door frames
  - Laundry hook-ups and space for washer/dryer inside each unit
4. Development amenities include:
  - 30-year expected life roofing
  - Termite prevention/detection system
  - Exterior lighting
  - Community Center or clubhouse
  - Playground/tot lot
  - Car care area
  - Childcare facility located within three miles of property
  - Public transportation located within one-half mile of property
  - Library /study room with minimum of 100 books and 5 magazine subscriptions
  - Two or more parking spaces per unit
  - Outside Recreation area for older children: Volleyball court or Dog Park if allowed
5. Mandatory Energy Conservation features:
  - Energy Star qualified refrigerator;
  - Energy Star qualified dishwasher;
  - Energy Star qualified washing machine, if provided by applicant;
  - Minimum SEER of 14 for unit air conditioners (excluding buildings with a central chiller system);
  - Caulk, weather strips, seal hole, cracks, etc. for rehabilitation developments
  - Sealed and insulated heating and cooling system ducts for rehabilitation developments (waiver requested)
  - Low-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
  - Low-flow water fixtures in bathrooms--WaterSense labeled products or the following specifications:
    - Toilets: 1.6 gallons/flush or less
    - Faucets: 1.5 gallons/minute or less
    - Showerheads: 2.2 gallons/minute or less.
  - Programmable thermostat in each unit
6. Other energy conservation features:
  - Energy Star ceiling fan in all bedrooms and living areas
  - Energy Star qualified roofing material or coating
  - Energy Star exhaust fans in bathrooms
  - Energy Star rating for all windows

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- Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings

### **7. Design, Amenity & Energy Efficiency Issues: None**

- The development has physical features that are consistent with the needs of family housing.

### **D. Public Purpose/ Resident Services**

1. The set-aside period is for 50 years.
2. The income set-aside is 90% at 60% of area median income and 10% below 33% AMI.
3. The resident services/programs include (no optional services/programs selected):
  - Participation in Crime Free Multi-Housing Program sponsored by the Jacksonville Sheriff's Office (M)
  - Health Care Screening (M)
  - Resident Activities (M)
  - On Site Voter Registration (M)
  - Homeownership Opportunity Program (M)
  - First-time homebuyer seminars (M)
  - Employment Assistance Program (O)
  - Family Support Coordinator (O)
  - Financial Management Program (O)

### **4. Public Purpose Issues: None**

- The Applicant is providing services and programs for residents that exceed JHFA standards, with the Applicant providing three optional programs.

### **E. Ability to Proceed**

1. Site control is established by a long-term lease.
2. The site is zoned RM-1, Residential Medium Density, for which the development is an allowable use.
3. As an existing facility, electricity, water, sewer and roads are available.
4. All other information was submitted as required, and no information submitted indicated there would be issues at this stage that would prevent the project from moving forward.
5. The applicant's schedule calls for a bond closing in May 2018. This is reasonable.
6. **Ability to Proceed Issues: None.**

## THE HENDRICKSON COMPANY

### **F. Experience of Development Team:**

The developer and the members of the team that were identified have extensive experience with affordable housing, bond transactions, and housing credits. The team has multiple bond and local government loans with JHFA. The credit underwriter will review all team members.

**Experience of Development Team Issues:** None.

### **G. Other requirements: Expense and Indemnity Agreement**

- The required Expense and Indemnity Agreement was executed.

### **H. Site Location and Market**

1. This development is located at various locations in Jacksonville Beach. The new units will replace old public housing units.
  2. An independent market study will be evaluated by the credit underwriter.
  3. **Site Location and Market Issues: None.**
-

# JHFA Board Meeting Calendar 2018

JANUARY						
S	M	T	W	TH	F	S
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## JHFA Meeting Locations

8th Floor

Meeting Rooms Located at 214 North Hogan Street, 8th Floor, Jacksonville, Florida

## FHFC Meeting Dates & Locations

January 26, 2018, Tallahassee City Hall

March 16, 2018, Tallahassee City Hall

NALHFA Annual Conference, May 9-12, 2018- Hotel Monteleone, New Orleans

Florida ALHFA Conference July 11-14, 2018- Vinoy Hotel, St. Petersburg

Florida Housing Coalition Conference, August 27-29, 2018- Rosen Centre Hotel, Orlando

## Commentary: Don't gut U.S. housing help for young families and the elderly

By **Mark Hendrickson**  
Guest Columnist

NOVEMBER 16, 2017, 1:10 PM

One of the most successful housing programs in the United States is also one of the lesser-known ones. Tax-exempt loans to moderate-income first-time homebuyers and loans to developers who build or renovate apartments that are rented to working families and the elderly.

In its current form, House Bill 1, the proposed tax legislation in the U.S. House of Representatives, would eliminate all private activity bonds. Private activity bonds — sometimes called PABs — are used to finance activities where the government is not the owner of the facility that is financed — including housing. This type of financing uses a public-private partnership model, rather than a government-only approach.

Housing bonds would be eliminated, as would financing for other activities such as nonprofit hospitals, nonprofit universities, ports and airports. The policy justification for the elimination: none. In the middle of an affordable-housing crisis that will impact the economy of Florida, the House tax plan proposes to eliminate a massively successful program that directly benefits moderate-income families.

That point bears closer examination. This isn't public housing. This is housing for young working families struggling to buy their first home and realize the American Dream. This is housing for families working every day who cannot find an apartment they can afford to rent.

You have met the people who benefit from housing bonds. They are the people who have full-time employment in jobs that aren't high wage — the exact group that we so often say deserves help. They work in banks, hotels, hospitals, restaurants and schools.

U.S. House leadership touts the bill's purported \$1,000 in annual tax savings for a middle-class family. How ironic that a tax bill being pushed as a benefit to the middle class includes a provision that would gut the ability to finance the affordable housing they desperately need. How does a short-term \$1,000 annual tax savings compare to a real rent increase of \$500 to \$1,000 per month?

Since this program began in the early 1980s, in Florida alone more than 175,000 families bought their homes through bond programs and more than 190,000 units of affordable apartments have been built or rehabilitated. The Orange County Housing Finance Authority alone has provided \$3.3 billion of bond financing, housing more than 35,000 working families in Central Florida. At any given time in Florida, nearly 1 million people live in housing that was bond financed.

When the bonds are used for rental housing, they also receive federal housing credits (4 percent low-income housing tax credits). More than 45 percent of the affordable rental housing produced in Florida from 2011-2015 utilized housing bonds and the 4 percent housing credit (the other 55 percent utilize the 9 percent housing credit). The current House bill would eliminate the 4 percent housing credit along with private activity bonds.

Housing bond allocation may also be exchanged for mortgage credit certificates. Many bond issuers in Florida have utilized this exchange in recent years, giving first-time homebuyers an income tax credit each year that they live in their home — as opposed to a bond-financed loan. This program gives first-time homebuyers up to a \$2,000 per year tax credit. HR 1 would repeal this program, taking away a real \$2,000-per-year tax credit and replacing it with a short-term \$1,000 in tax savings. What a deal.

Housing bonds are needed in Florida. We cannot address our growing housing-affordability crisis without them. The programs are successful and serve our working families and the elderly. The U.S. House should remove the provision in HR 1 that would repeal housing bonds.

Failing in that, U.S. Sens. Marco Rubio and Bill Nelson need to work to make sure that the Senate's tax bill protects housing bonds, and that no tax legislation is adopted if it includes the repeal of this critical resource.

*Mark Hendrickson is executive director of the Florida Association of Local Housing Finance Authorities in Tallahassee.*

By Senator Perry

8-00824-18

2018730\_\_

1 A bill to be entitled  
2 An act relating to housing finance authorities;  
3 amending s. 159.621, F.S.; exempting from taxation  
4 certain notes and mortgages, including interest or  
5 income, that are part of a loan made by or on behalf  
6 of a housing financing authority; providing  
7 requirements for exemption; providing an exception to  
8 the exemptions granted by this section; providing an  
9 effective date.

10  
11 Be It Enacted by the Legislature of the State of Florida:

12  
13 Section 1. Section 159.621, Florida Statutes, is amended to  
14 read:

15 159.621 Housing bonds exempted from taxation; notes and  
16 mortgages exempt from taxation.—

17 (1) The bonds of a housing finance authority issued under  
18 this act, together with all notes, mortgages, security  
19 agreements, letters of credit, or other instruments which arise  
20 out of or are given to secure the repayment of bonds issued in  
21 connection with the financing of any housing development under  
22 this part, as well as the interest thereon and income therefrom,  
23 shall be exempt from all taxes.

24 (2) Any note or mortgage given in connection with a loan  
25 made by or on behalf of a housing finance authority under s.  
26 159.608(8), including any interest and income thereon, is exempt  
27 from all taxes if, at the time the note or mortgage is recorded,  
28 the housing finance authority submits documentation that affirms  
29 that the loan was made by or on behalf of the housing finance

8-00824-18

2018730\_\_

30 authority.

31  
32 The exemptions ~~exemption~~ granted by this section do not apply  
33 ~~shall not be applicable~~ to any tax imposed by chapter 220 on  
34 interest, income, or profits on debt obligations owned by  
35 corporations or to a deed for property financed by a housing  
36 finance authority.

37 Section 2. This act shall take effect July 1, 2018.

By Senator Passidomo

28-00651A-18

2018874\_\_

A bill to be entitled  
An act relating to state funds; amending s. 215.32,  
F.S.; exempting the State Housing Trust Fund and the  
Local Government Housing Trust Fund from a provision  
authorizing the Legislature, in the General  
Appropriations Act, to transfer unappropriated cash  
balances from specified trust funds to the Budget  
Stabilization Fund and General Revenue Fund; providing  
an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Upon the expiration and reversion of the  
amendments made to section 215.32, Florida Statutes, pursuant to  
section 56 of chapter 2017-71, Laws of Florida, paragraph (b) of  
subsection (2) of section 215.32, Florida Statutes, is amended  
to read:

215.32 State funds; segregation.—

(2) The source and use of each of these funds shall be as  
follows:

(b)1. The trust funds shall consist of moneys received by  
the state which, under law or under trust agreement, are  
segregated for a purpose authorized by law. The state agency or  
branch of state government receiving or collecting such moneys  
is shall be responsible for their proper expenditure as provided  
by law. Upon the request of the state agency or branch of state  
government responsible for the administration of the trust fund,  
the Chief Financial Officer may establish accounts within the  
trust fund at a level considered necessary for proper

28-00651A-18

2018874\_\_

30 accountability. Once an account is established within a trust  
31 fund, the Chief Financial Officer may authorize payment from  
32 that account only upon determining that there is sufficient cash  
33 and releases at the level of the account.

34 2. In addition to other trust funds created by law, each  
35 agency, to the extent possible, ~~each agency~~ shall use the  
36 following trust funds as described in this subparagraph for day-  
37 to-day operations:

38 a. An operations or operating trust fund, for use as a  
39 depository for funds to be used for program operations funded by  
40 program revenues, with the exception of administrative  
41 activities when the operations or operating trust fund is a  
42 proprietary fund;-

43 b. An operations and maintenance trust fund, for use as a  
44 depository for client services funded by third-party payors;-

45 c. An administrative trust fund, for use as a depository  
46 for funds to be used for management activities that are  
47 departmental in nature and funded by indirect cost earnings and  
48 assessments against trust funds; however,~~-~~ proprietary funds are  
49 not required to use ~~excluded from the requirement of using~~ an  
50 administrative trust fund;-

51 d. A grants and donations trust fund, for use as a  
52 depository for funds to be used for allowable grant or donor  
53 agreement activities funded by restricted contractual revenue  
54 from private and public nonfederal sources;-

55 e. An agency working capital trust fund, for use as a  
56 depository for funds to be used pursuant to s. 216.272;-

57 f. A clearing funds trust fund, for use as a depository for  
58 funds to account for collections pending distribution to lawful

28-00651A-18

2018874\_\_

59 recipients; ~~and~~.

60 g. A federal grant trust fund, for use as a depository for  
61 funds to be used for allowable grant activities funded by  
62 restricted program revenues from federal sources.

63  
64 To the extent possible, each agency must adjust its internal  
65 accounting to use existing trust funds consistent with the  
66 requirements of this subparagraph. If an agency does not have a  
67 trust fund specified ~~trust funds listed~~ in this subparagraph and  
68 cannot make such adjustment, the agency must recommend the  
69 creation of the necessary trust funds to the Legislature no  
70 later than the next scheduled review of the agency's trust funds  
71 pursuant to s. 215.3206.

72 3. All such moneys are hereby appropriated to be expended  
73 in accordance with the law or trust agreement under which they  
74 were received, subject ~~always~~ to the provisions of chapter 216  
75 relating to the appropriation of funds and to the applicable  
76 laws relating to the deposit or expenditure of moneys in the  
77 State Treasury.

78 4.a. Notwithstanding any provision of law restricting the  
79 use of trust funds to specific purposes, unappropriated cash  
80 balances from selected trust funds may be authorized by the  
81 Legislature for transfer to the Budget Stabilization Fund and  
82 General Revenue Fund in the General Appropriations Act.

83 b. This subparagraph does not apply to trust funds required  
84 by federal programs or mandates; trust funds established for  
85 bond covenants, indentures, or resolutions whose revenues are  
86 legally pledged by the state or public body to meet debt service  
87 or other financial requirements of any debt obligations of the

28-00651A-18

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88 state or any public body; the Division of Licensing Trust Fund  
89 in the Department of Agriculture and Consumer Services; the  
90 State Transportation Trust Fund; the trust fund containing the  
91 net annual proceeds from the Florida Education Lotteries; the  
92 Florida Retirement System Trust Fund; trust funds under the  
93 management of the State Board of Education or the Board of  
94 Governors of the State University System, when ~~where~~ such trust  
95 funds are for auxiliary enterprises, self-insurance, and  
96 contracts, grants, and donations, as those terms are defined by  
97 general law; trust funds that serve as clearing funds or  
98 accounts for the Chief Financial Officer or state agencies;  
99 trust funds that account for assets held by the state in a  
100 trustee capacity as an agent or fiduciary for individuals,  
101 private organizations, or other governmental units; the State  
102 Housing Trust Fund; the Local Government Housing Trust Fund; and  
103 other trust funds authorized by the State Constitution.

104 Section 2. This act shall take effect July 1, 2018.