ANALYSIS OF LOAN REQUESTS:
MINIMUM LOCAL GOVERNMENT CONTRIBUTION

I. Local Government Support Loan Requests—Action

1. The 2017 NOFA was for local government contributions made in conjunction with FHFC RFA 2017-108 (SAIL) had a due date of September 11, 2017. Due to Hurricane Irma, the deadline was extended until Friday, September 15.

2. Three applications were received:

NAME LOCATION	DEVELOPER	UNITS	DEMOGRAPHIC	TDC	COST/UNIT LAND/UNIT	Hard Cost/Unit
Georgian Estates 5678 George Ct. Arlington	Richman Group of Florida Todd Fabbri SP Estates Apartments LLC	72	Family Garden New Construction	$14,245,996	$197,861 $8,639	$111,806 57% of TDC
Pine Grove Powers Avenue, north of intersection of Powers & Toledo	Southport Development Brianne Heffner Powers Avenue Apartments Ltd.	168	Family Garden New Construction	$29,608,188	$176,239 $14,881	$108,090 61% of TDC
The Waves 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

3. THRESHOLD CRITERIA: All applications meet threshold criteria

Development **Applicant** **Request**	**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**
Georgian Estates Southport SP Estates Apartments LLO. $115,000 0% for 20 years	**Yes** 5678 George Court 72 units	**Yes** Site control via Contract for Purchase & Sale	**Exceeds** 90%<60% AMI 10%<33% AMI 50 years	**Yes** RMD-C/RMD-D Residential Medium Density

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Development Applicant Request	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
Pine Grove Richman Powers Avenue Apartments Ltd. $115,000 0% for 20 years	**Yes** Powers Avenue, north of intersection of Powers & Toledo 168 units	**Yes** Site control via Deed	**Exceeds** 90%<60% AMI 10%<33% AMI 50 years	**Yes** CRO Commercial, Residential & Office Letter from City
The Waves Jacksonville Housing Authority & Vestcor The Waves of Jacksonville Ltd. $115,000 0% for 20 years	**Yes** Scattered JHA public housing sites located in Jacksonville Beach 100 units	**Yes** Site control via Ground Lease	**Exceeds** 90%<60% AMI 10%<33% AMI 50 years	**Yes** RM-1 Residential Medium Density FHFC Form executed by City

4. 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.
   - Applicant utilizing JHFA bonds

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CRITERIA	APPLICATIONS
Development, construction & management experience	**All Applicants have extensive experience**
Financial feasibility to complete and operate the development, including leveraging	**All will work with SAIL loans.**
Leveraging	**JHFA contribution is fixed amount**
Applicant's performance and/or compliance on any prior loans or contracts with JHFA or the City	**All have loans with JHFA.**
Social services and assistance offered to residents	**Will have to meet FHFC standards. See narratives below for more detail.**
Temporary or permanent displacement of existing tenants (negative factor)	**Yes, for the Waves—but residents will receive new units**
Priority for developments with expiring Section 8 contracts or affordable housing land use restriction agreements	**No**
Applicant Using JHFA Bonds	**All are using JHFA Bonds** **Applications received for all three**

4. Loan Request:
   - The loan request/terms is designed to achieve the required "local government contribution" of $75,000.
   - The request is for a $115,000/0% loan, no amortization, with a balloon in 20 years.
   - JHFA has not taken legal responsibility for calculating NPV on behalf of the developer.
   - All Applicants have made the same request.

5. **Recommendations**:

- Approve loan commitment in amount of $115,000 for Georgian Estates, Pine Grove, and the Waves, governed by Ordinance 2014-185-E;
- Each loan would have a 0% interest rate, no amortization, with a balloon in 20 years;
- Authorize the Chairman to sign the loan commitment letters, and Authorize Chair or other Board member to execute loan documents, including subordinations and extension of loan commitment sup to 30 days after senior loan closing date;.
- Request 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 commitments (City programs, length of set-aside, income restrictions);
- Loan terms,:
  - ✓ Principal amount of $115,000
  - ✓ Due in one balloon payment in 20 years
  - ✓ Non-amortizing
  - ✓ 0% interest rate
- Loan commitment expiration date of December 31, 2018.

ANALYSIS OF LOAN REQUESTS:
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Georgian Estates Apartments
Development Narrative

Georgian Estates Apartments is a proposed 72 unit new construction affordable housing community located at 5678 George Ct in the City of Jacksonville. The proposed development team includes Southport Development, Inc., (Developer), Vaughn Bay Construction, Inc., (Contractor) and Architectonics Studios, Inc., (Architect). The applicant, SP Estates Apartments LLC, shares the same key principal as Southport Development, Inc., J. David Page. The proposed construction commencement date is in the third quarter of 2018 and completion is estimated for the end third quarter of 2019. The development team has successfully worked together on the development of more than 10 affordable housing communities over the past 5 years and the development team is confident that the same success will be achieved at Georgian Estates Apartments.

The Developer, Contractor and Architect will work together to deliver the proposed development in a timely, professional and quality manner. The Developer's responsibilities shall include but not be limited to securing necessary awards to build Georgian Estates Apartments, secure debt and equity financing, coordinate all due diligence items necessary to consummate the transaction, work with Contractor and Architect to create all necessary design, scope and budget documents and be responsible for development oversight during construction and thereafter. The Contractor, an affiliate of Southport Development, Inc., shall work with Developer and Architect during the pre-development phase, be responsible for the construction of the community and provide necessary completion assurances. The Architect's responsibilities shall include the design of the community in accordance with all federal, state and local codes. Additionally, architect shall ensure adherence with any state agency prescribed design features. Finally, Architect shall be responsible for ensuring conformance to plans and specs through construction along with the quality of workmanship.

The proposed development will include 72 one, two and three-bedroom units in four residential buildings that will serve the family demographic. The residential building will be a five story configuration. The community will comply with all applicable ADA, UFAS, Section 504 and Fair Housing requirements. 90% of the units will be set-aside for residents with family incomes at or below 60% area median income while 10% of the units will be set-aside for residents with family incomes at or below 33% area median income. Please see below for proposed unit mix, unit sizes, rents and utility allowances.

Unit Type	Unit Count	AMI%	Unit Sqft	Gross LIHTC Rent 2017	Est Utility Allowance	Net LIHTC (proposed rent)
1BR	5	60%	750	$725	$70	$655
2BR	32	60%	900	$870	$95	$775
3BR	27	60%	1,100	$1,005	$105	$900

1BR	1	33%	750	$398	$70	$328
2BR	4	33%	900	$478	$95	$383
3BR	3	33%	1,100	$552	$105	$447
Total	72					

The proposed development will include financing from various sources. The estimated total development cost will be approximately $14,300,000. As far as sources are concerned, approximately $7,200,000 will be financed with Jacksonville Housing Finance Authority MMRB, $75,000 is proposed to be financed with a SHIP Loan from Duval County, $4,525,000 will come from a Florida State Apartment Incentive Loan (SAIL) with an additional $600,000 in ELI gap funding and $4,800,000 will come from the sale of 4% low income housing tax credits from the Florida Housing Finance Corporation. There is also approximately $1,000,000 in deferred developer fee that will help fund the sources as well.

The approximate $14,370,000 total development cost will consist of $8,300,000 in construction costs including GC fees and a 5% hard cost contingency. We are anticipating approximately $1,040,000 in financial costs which includes construction period interest. $550,000 is the purchase price of the land and a development fee of approximately $2,070,000 is included in the development budget. The balance is projected for legal fees, agency fees, architectural and engineering fees, impact fees, building permits, utility connection fees and all necessary insurances. The projections included herein are estimates and subject to change. Please see detailed projections attached.

The developer projects an operating budget that will yield a net operating income (NOI) of $300.000. The NOI consists of a Gross Potential Rent of $666,912, a vacancy and collection loss factor of 6%, operating expenses including replacement reserve deposits of approximately $22,000 ($300/unit). We feel our projections are in-line with comparable rental communities given the construction type, age and location. The operating projections are adequate to absorb any interest rate fluctuations and/or expense variations between now and closing and is well capitalized to ensure long term financial viability.

The Florida Housing Finance Corporation requires that all new rental units funded with 4% LIHTC provide resident programs for the life of the compliance period, which is 50 years in this case, at no cost to the residents. The resident programs that we intend to elect to comply with this requirement include; After School Program for Children, Literacy Training, and Financial Counseling. The after-school program for the children will include supervised activities for children during after school hours Monday through Friday. The literacy training will be a weekly lesson available to all residents who choose to participate. Finally, the financial counseling program will be a quarterly counseling session provided at the property to provide educational workshops on topics such as “learning to budget” and “handling personal finances” as well as tax preparation from qualified professionals. Experience with other communities we have developed has taught us that these programs are not only a direct benefit to the residents, but contribute to the sense of synergy and community within our developments as well.

Pine Grove Apartments
Development Narrative

Summary of Project:
• 168 affordable housing units which will serve very low and low income families of Duval; located on Powers Avenue, north of the intersection of Powers Avenue and Toledo Road, Jacksonville.
• The scope of work will be new construction consisting of three story garden style buildings, related amenities and a surface parking lot.
• The project will consist of a mix of one, two and three bedroom units ranging in size from 700s/f to 1,240s/f.

Building Amenities:
• Community Center
• Surface Parking
• Administration Area
• Reception area
• Mail room
• Community Area
• Business Center/computer lab
• Multi-Purpose room with kitchen and food prep area
• Fitness Center
• Elevator lobby
• Common (central) Laundry room

Unit Amenities:
• Dining Room
• Reach-in closet
• Kitchen
• Pass-through eat at counter open to dining/living room
• Pantry
• Laundry room
• Living room
• Bedroom
• Walk-in closet with vinyl shelving
• Toilet and cabinet with lavatory
• Walk-in shower with grab-bars
• Linen closet
• Window Coverings
• Full-size range and oven in all units
• At least two full bathrooms in all 2 and 3 bedroom units
• Bathtub with shower in at least one bathroom in at least 90% of the units

Resident Programs:

• **Health Care –**Regularly scheduled visits by health care professionals such as nurses, doctors, or other licensed care providers. At a minimum, the following services must be provided at no cost to the resident: health screening, flu shots, vision and hearing tests. Regularly scheduled is defined as not less often than once each quarter. On-site space must be provided.

• **Resident Activities –**Regularly scheduled, specified activities, planned, arranged, managed, and paid for by the Applicant or its management agent as an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities such as holiday or special occasion parties, community picnics or cookouts, newsletters, children's special functions, etc., to bring the resident together, foster a sense of community, and encourage community pride.

• **On Site Voter Registration –**The Applicant or its Management Agent shall work with the County Supervisor of Elections to arrange on-site voter registration. The registration shall be at least quarterly, and shall be during weekend and other traditionally non-work times.

• **Homeownership Opportunity Program –**Applicant must provide a homeownership opportunity program available to all residents in compliance with their current lease. The program must set aside 5% of the resident's gross rent toward a downpayment for that resident when the resident moves from the development into homeownership. The resident may be suspended from the program during the period of a lease if the resident violates any provision of the lease. Upon renewal of the lease, the resident must be reinstated into the program for the period of that renewal, with suspension permitted under the same terms as discussed above. The homeownership opportunity program must also include financial counseling for all residents, with emphasis on credit counseling and other items necessary for successful purchase of, and maintenance of a home.

• **First Time Homebuyer Seminars –**Applicant must arrange for and provide at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners.

The Waves
Development Narrative

Development Specifics

The proposed application is for the redevelopment of the Jacksonville Housing Authority development at Jacksonville Beach. The Applicant, The Waves of Jacksonville, Ltd., is controlled by the Jacksonville Housing Authority. The community will be developed by Jax Urban Initiatives Developers, LLC (Jacksonville Housing Authority) and TVC Development, Inc. (Vestcor) as co-developers.

The redevelopment plan consists of constructing 127 new units on 9 parcels owned by the Jacksonville Housing Authority. The 127 new units will replace units owned by Jacksonville Housing Authority at Jacksonville Beach. The tenants will be relocated into the new units

upon completion. The remaining parcels owned by Jacksonville Housing Authority at Jacksonville Beach will be held out for future redevelopment.

We will seek 4% LIHTC, JHFA Issued Bonds, JHFA Loan (Local Government Contribution), and SAIL.

The mix of units to be constructed is as follows:

- 127 units
  14 - 1BR/1BA
  56 - 2BR/2BA
  44 - 3BR/2BA
  13 - 4BR/2BA

- There will be 15 buildings consisting of 8 units each and 1 building consisting of 7 units
- 100% Income Restricted
- 10% at 33% AMI
- 90% at 60% AMI

Building and Units

This community will have one, two, three and four bedroom units that include a living and dining area and a fully equipped kitchen. The building and units will include:

- Mini Blinds
- Microwaves
- Dishwashers
- Handicap accessible kitchens and bathrooms as required by FHFC
- Washer / Dryer Hookup

Amenities

This community will include some of the following amenities:

- Computer Center
- Wi-Fi Connectivity
- Picnic area
- Activities room
- Dog walk
- Playground

Tenant Programs

- Employment Assistance Program
- Family Support Coordinator
- Financial Management Program

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Vestcor Summary – www.vestcor.com
The Vestcor Companies was founded in 1983 in Jacksonville, Florida by John D. Rood, who is the sole owner of the Vestcor Companies and active Chairman.

Vestcor has built a reputation of excellence in all areas of multifamily development. Vestcor has developed or acquired over 13,954 multifamily units, consisting of retirement, affordable, luxury and student apartment communities.

Vestcor has over 20 years of experience developing and operating low income housing tax credit communities. Vestcor has acquired or developed 32 affordable communities consisting of 7,159 units in Florida and Texas.

Vestcor currently owns 25 affordable housing communities consisting of 5,292 units throughout Florida and Texas of which 16 communities, 3,381 units, are located in the greater Jacksonville area.
Vestcor recently has completed construction of three communities in Jacksonville (Caroline Oaks, Peyton Ridge, and Mary Eaves) financed through Florida Housing Finance Corporation programs over the three years. In addition, Vestcor was awarded the local government area of opportunity funding preference the past two years from the Jacksonville Housing Finance Authority for Lofts at LaVilla and Lofts at Monroe. Lofts at LaVilla is 70% complete and 95% preleased and Lofts at Monroe will break ground in September 2017.

Jacksonville Housing Authority ("JHA") – www.jaxha.com

JHA is dedicated to creating and sustaining healthy communities that promote individual responsibility, economic growth, human dignity and hope for the future. The JHA staff is dedicated to deliver services with integrity and mutual accountability.

JHA Goals & Objectives:

- Provide safe, clean, affordable housing
- Provide effective social services
- Partner with our residents
- Improve the quality of life for residents
- Encourage employment and self-sufficiency
- Help residents move out of assisted housing