

JACKSONVILLE HOUSING FINANCE AUTHORITY



Jacksonville Housing Finance Authority Board of Directors Meeting

February 20, 2019

Noon

214 North Hogan Street, 8th Floor

- AGENDA -

Call Meeting to Order

Chair

Approval of Minutes of November 28, 2018 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

- Procurement-consider contract extensions to 6-30-19

C. Financial Advisor Memo

Mark Hendrickson

IV. ACTION ITEMS

A. Board Members Declare Conflicts, if any

Board

B. Consider Approval of Increase in DPA Amount

Mark Hendrickson &
Laura Stagner

C. Consider Approval of Resolution Related to 2019 Bond Allocation

Rhonda Bond-Collins

D. Consider Approval of Inducement Resolutions for Monaco Arms

Mark Hendrickson

E. Consider Extension of Preliminary Commitment for The Waves

Mark Hendrickson

F. Consider Approval of Change in Unit Mix for The Waves

Mark Hendrickson

G. Consider Sponsorship of Florida ALHFA Conference

Susan Leigh

V. NEW BUSINESS

VI. OLD BUSINESS

A. Update on Single Family Program

Mark Hendrickson

B. Update on Existing Rental Properties

Mark Hendrickson

- Recent JHFA Activities/Developments

- Occupancy Report

C. Update on 2019 Legislative Session

Mark Hendrickson

VII. ADJOURN JHFA MEETING

Chair

JACKSONVILLE HOUSING FINANCE AUTHORITY



JACKSONVILLE HOUSING FINANCE AUTHORITY

Board of Directors Meeting

MINUTES

OF

REGULAR MEETING

November 28, 2018

October 17, 2018: JHFA Board Meeting

11:30 am

214 North Hogan Street, 8th Floor

BOARD MEETING:

Present at the meeting were:

BOARD MEMBERS

Spencer Cummings, Vice-Chair

Dee Bumbarger, Secretary

Nadine Carswell, Member

Jim Citrano, Member

Jeffrey Rosen, Member

Jane Scofield, Member

PROFESSIONAL STAFF:

Mark Hendrickson, The Hendrickson Company, Financial Advisor

Susan Leigh, The Community Concepts Group, Financial Advisor

Helen Feinberg, RBC Capital Markets, Investment Banker

Rhonda Bond-Collins, Bryant Miller Olive, Bond Counsel

Emerson Lotzia, City of Jacksonville Office of General Counsel

Tricia Heintz, Bank of New York Mellon, Trustee

CITY STAFF:

Jane Bouda

Sonya Graves

Riesa Lowery

PUBLIC:

Ryan Hoover, Vestcor

Angela Leatherbury, HabiJax

BOARD MEETING

Vice-Chairman Cummings called the meeting to order at 12:01 pm, with a quorum present.

Public Comments

Mr. Ryan Hoover updated the Board on the Lofts at LaVilla, Lofts on Monroe, and Lofts at Jefferson Station developments.

“To-Do” List

Mr. Hendrickson updated the Board on outstanding “to-do” items.

Staff Report and Financial Report

Ms. Bouda updated the Board on JHFA financials and the 2018 Annual Report. Mr. Lotzia updated the Board on the delays in the Professional Services procurement process (Investment Banker, Bond Counsel, Trustee, and Financial Advisor). After discussion, Ms. Carswell moved, with a second by Mr. Citrano, that the Board **extend the professional services contracts until March 31, 2019**. The motion passed 6-0.

Board Member Conflicts

Mr. Citrano disclosed that he had a voting conflict related to matters that involved Vestcor.

Single Family

Mr. Hendrickson updated the Board on the single-family program. **The Board directed the team to analyze the use of DPA funds and bring a proposed increase in the DPA loan amount and the overall level of DPA funding to the January 2019 meeting.**

Local Government Area of Opportunity Funding

Mr. Hendrickson presented the background for a discussion of the selection criteria used in the past LGAOF RFP's, and if the Board wanted to continue the same criteria. Mr. Hendrickson read into the record an email from Chairman Gulliford:

I like the current criteria as I think they have resulted in us selecting quality projects that have allowed us to gain maximum leverage of our community's limited resources. You have my proxy to share my sentiments and the thought process behind us selecting criteria that provided financial and infrastructure leverage.

The Board discussed the criteria, with no decisions made on any changes to the current criteria. Ms. Carswell asked **staff to research if a criteria related to the economic impact on the residents of the apartments could be quantified.**

Multi-Family Updates

Ms. Carswell updated the Board on the groundbreaking for the Millennia Portfolio, held at the former Eureka Gardens.

Mr. Hendrickson updated the Board on the three LGAOF applications that were not selected, but were offered the minimum local contribution required to apply for SAIL or SAIL Workforce funding from FHFC. He reported that Ashley Square and Lofts at Cathedral has applied for JHFA bonds in conjunction with SAIL and/or SAIL workforce applications. Mr. Hendrickson also updated the Board on a new bond application for Campus Towers, and that bond counsel had prepared bond Inducement Resolutions for these three developments. After discussion, Mr. Rosen moved, with a second by Ms. Scofield, that the Board **adopt the Inducement Resolution for Campus Towers**. The motion passed 6-0. Mr. Rosen moved, with a second by Ms. Scofield, that the Board **adopt the Inducement Resolution for Ashley Square**. The motion passed 6-0. Mr. Rosen moved, with a second by Ms. Scofield, that the Board **adopt the Inducement Resolution for Lofts at Cathedral**. The motion passed 5-0, with Mr. Citrano abstaining due to Vestcor's involvement with the development.

Mr. Hendrickson reported on the Desert Winds-Silver Creek bond transaction, and stated that the development's bond financing was ready for final approval. Ms. Bond-Collins explained the Resolution that would approve the issuance of bonds and other items. After discussion, Ms. Carswell moved, with a second by Ms. Bumbarger, that the Board **approve the Resolution prepared by bond counsel giving final approvals and other approvals for the Desert Winds-Silver Creek transaction**. The motion passed 6-0.

Existing Rental Properties

Mr. Lotzia and Mr. Hendrickson updated the Board on the Houston Street Manor development. Mr. Hendrickson explained that the JHFA loan was a requirement for the development to receive Housing Credits from JHFA, and that failure to make the loan could jeopardize the Housing Credits and the financial stability of the development. The Board discussed the development and whether to grant an extension. After discussion, Mr. Citrano moved, with a second by Ms. Scofield, that the Board **authorize an**

amendment to the Loan Agreement for Houston Street Manor extending the Completion Date to February 15, 2019, and authorize the Chairman or other Board member to execute all documents associated therewith, contingent upon the borrower proving that all liens were released and that the borrower and development were in good-standing with the first mortgage lender. The motion passed 6-0.

Ms. Bond-Collins presented an update on the Mt. Carmel Gardens development, noting that the bonds had been retired, and as such, the bond trustee no longer had a role in the transaction. She explained that she had drafted a Resolution that included release of the trustee from the LURA and discharging the bond indenture. After discussion, Ms. Bumbarger moved, with a second by Ms. Carswell, that the Board **adopt the Resolution related to Mt. Carmel Gardens**. The motion passed 6-0.

New Business

Mr. Hendrickson presented a proposed 2019 JHFA meeting calendar. After discussion, Mr. Citrano moved, with a second by Ms. Scofield, that the Board **approve the proposed 2019 JHFA meeting calendar and add training for the morning of the February meeting**. The motion passed 6-0.

Minutes

Ms. Scofield moved, with a second by Ms. Carswell, that the **Board approve the minutes of the October 17, 2018 Board meeting**. The motion passed 6-0.

2019 Legislative Update

Mr. Hendrickson reported on the actions of the Sadowski Education Effort related to the 2019 legislative session.

Adjournment

Vice-Chairman Cummings adjourned the meeting at 1:15 PM.

JHFA Direction to Team
From September 17, 2015, & September 24, 2018 Meetings

Board Direction	Staff	Status
September 17, 2015		
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.

THE HENDRICKSON COMPANY & COMMUNITY CONCEPTS GROUP

To: Board of Directors, Jacksonville Housing Finance Authority

From: Mark Hendrickson & Susan Leigh, Financial Advisors

Subject: February 20, 2019 JHFA Board Meeting

Date: February 10, 2019

I. 2019 Bond Allocation—Action

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2019			\$48,897,471	
2018	\$100,000,000	\$ 17,500,000		December 30, 2021
2017	\$ 50,000,000	\$156,500,000		December 31, 2020
2016		\$ 3,800,000		December 31, 2019
TOTAL	\$150,000,000	\$177,800,000	\$48,897,471	

1. The 2019 allocation is \$48,897,471 an increase of \$742,277 (1.5%) over 2018. In order to preserve the 2019 bond allocation a single family TEFRA hearing is required. Bond Counsel has prepared a resolution authorizing the TEFRA hearing and related requests for allocation and approval by the City Council in an amount not to exceed \$50,000,000.
2. **Recommendation:** Approve Resolution prepared by Bond Counsel.

II. 2013 Single Family Loan Program—Action

1. The **current program guidelines:**
 - 1st mortgage: 5.125 1% origination fee, FHA, VA, RD, 5.375% 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 of Hillsborough County, on behalf of all HFA's
 - 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: \$5,000 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 Analysis:** The DPA amount was reduced to \$5,000 in October. Since then, only five loans have been originated. Ms. Stagner indicates that net revenue in this fiscal year to-date is

\$426,997—in any case, the program needs an increase in the DPA amount to \$7,500 to have any chance of significant originations.

DPA AUTHORIZED	
Date	Amount
2012	\$ 250,000
May-15	\$ 200,000
Jun-15	\$ 400,000
Sep-17	\$ 703,000
Jun-18	\$ 250,000
Jun-18	\$ 315,443
TOTAL AUTHORIZED	\$ 2,118,443

LOAN VOLUME	\$ 2,213,510
Adjustments	
FHFC	\$ 88,796
Repayments	\$ 65,000
	\$ 153,796
NET VOLUME	\$ 2,059,714
AVAILABLE	\$ 58,729

3. **Rate Change:** The interest rates were increased by 0.125% in October 2018.

4. **Program Demographics:**

Sales Price/ # Loans	Loan Amount	Borrower Income	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	MCC Amount
\$138,965 451 loans +4 loans	\$132,984	\$47,130	37.0 47% female	2.3	SF Detached 93% Condo: 2% Townhouse: 6% Existing: 97% New: 3%	Black: 27% White: 40% Hispanic: 20% Mixed: 1% Asian: 8% Other: 5%	\$21,085,077 \$63,701.14 avg. 331 buyers

5. **Lender Originations:** Academy (126), SWBC (112), Prime (52), Bank of England (51), Fairway (51), Pacific Union (23), CMG (13), Network Funding (6), Open (5), DHI (4), Ameris Bank (3), Paramount (2), Resource Financial (1), Guild (1) & GSF (1).
6. **MCC's:** The HFA converted \$200.25 million of bond authority into \$50,063,000 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) expired at the end of 2018, with \$446,149 not used. Tranche 4 (\$20,062,500) expires December 31, 2020.
7. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan of \$132,000 and a 5.125%/30-year mortgage, interest payments in Year 1 = \$6,765. 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 after year 18 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 5.125% to approximately 3.0%.

8. **MBS Sales:** The HFA has executed 127 sales, with net revenues of \$1,427,678 (net meaning after payments to RBC and counsel) coming to JHFA.
9. **Hedges & Exposure:** Hillsborough County has 7 hedges totaling \$9.14 million in place. With full delivery, the projected net revenues are estimated at \$244,161 (shared pro rata with counties based upon originations). The unhedged pipeline as of February 8 is \$0 (changes daily).
10. **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 \$59.37 million. **316 of the 451 loans in the program have originated in 2018.**
11. **Recommendation:** Authorize increase in DPA amount to \$7,500, effective March 1, 2019.

III. Local Government Area of Opportunity Funding (Preference)—Informational

1. The JHFA selected **Lofts at Brooklyn** as the LGAOF deal for FHFC RFA 2018-112, which was given a preliminary award of 9% Housing Credits by FHFC.
2. The JHFA offered the three other applicants a local government contribution to be used in conjunction with applications to FHFC for SAIL, SAIL Workforce, CDBG-DR, or other gap-financing RFA, and in conjunction with JHFA bonds. Ashley Square is an apparent “winner” of SAIL funds, and plans to move forward.
3. **Recommendation:** None.

IV. New Rental Financings—Action

1. The 2019 Bond Application is now “open”, meaning applications will be evaluated on a first-come first-evaluated basis.
2. A new bond application (short form Bond-SAIL) was received for **Campus Towers**; however the deal later has been awarded 9% Housing Credits and is not moving forward with bonds. **Lofts at Cathedral** did not win Workforce SAIL, and also will not be moving forward.
3. **Monaco Arms I & II**
 - An application was received December 7, 2018 and was supplemented by answers to questions posed by the Financial Advisor, as well as additional documentation.
 - The financing is for the acquisition and rehabilitation of two 46-47-year-old Section 8 developments totaling 156 units located on the Northside (adjacent and operating as one entity for financial purposes). The financing sources are a first-mortgage and tax credit equity (no SAIL or local government funds)>
 - Some minor waivers have been requested, as detailed in the detailed analysis (attached).
 - The credit underwriting will include a Construction Needs Analysis (third party report ordered by the CU), which will determine if the proposed scope of rehabilitation is adequate.
 - Seltzer Management has been assigned as the credit underwriter for this transaction, which essentially mirrors the earlier Caroline Arms financing with the same developer.

4. **The Waves** is experiencing delays due to HUD processing (required on deals that replace existing public housing units), and will not close before June 2019. This will require a new TEFRA hearing and approval. The developer is also requesting approval of a change to the unit mix, increasing the number of one-bedroom units by 4, and decreasing the three-bedroom units by 4. This is to allow standard building types that can be applied to all blocks that comprise the scattered site.
5. **Ashley Square** applied for the Local Preference, and when not selected, accepted an offer from the JHFA for the local contribution required for a SAIL application. It appears that they will be successful in receiving SAIL funding (pending FHFC Review Committee action), and are moving forward with the bond financing.
6. **Desert Winds/Silver Creek** closed in December 2018.
7. **Recommendations:**
 - **Monaco Arms I & II:** 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 the application (included in Board Packet), and refer waiver requests to the Credit Underwriter for recommendation.
 - **The Waves:** Approve extension of Preliminary Agreement through December 31, 2019.
 - **The Waves:** Approve request for change in unit mix.
 - **Ashley Square:** Approve Inducement Resolution prepared by bond counsel, subject to all conditions in the JHFA MF Handbook.

	The Waves	Ashley Square	Monaco Arms I & II
Developer/ Location	Jacksonville Housing Authority & Vestcor Jacksonville, FL	Blue Sky Communities Tampa, FL	Lincoln Avenue Capital Santa Monica, CA
Development Location	Nine scattered JHA public housing sites in Jacksonville Beach	127 E. Ashley St. & 116 E. Beaver St. Cathedral District	10414 & 10525 Monaco Drive Northside
City Council District	Bill Gulliford	Reggie Gaffney	Ju'Coby Pittman
Type	New Construction Garden	New Construction Mid-Rise	Acquisition & Rehabilitation
Demographic	Family	Elderly	Family
Bond Request	\$17,750,000 \$139,764/unit	\$16,550,000 \$137,500/unit	\$16,830,000 \$107,885/unit
TEFRA Hearing	2-28-18	2-1-19	2-1-19
TEFRA Approval	4-24-18		
Preliminary Agreement Expiration	12-31-18		
Credit Enhancement	Private Placement to SunTrust Bank	TBD	Private Placement to Citibank
Credit Underwriter	First Housing	TBD	Seltzer
Closing Date	March 2019	TBD	Spring 2019
Units	127	120	156
Permanent 1st Mortgage Estimate	\$6,600,000	\$5,000,000	\$12,410,000
SAIL, ELI, HOME (FHFC)	\$7,600,000	\$7,600,000	\$0
JHFA Loan	\$115,000	\$110,000	\$0
Housing Credits	Wells Fargo Bank \$7,799,289 \$61,416/unit	TBD \$8,870,454 \$73,920/unit	Boston Financial \$6,754,983 \$43,301/unit
TDC	\$23,377,628	\$24,286,394	\$20,794,248
TDC per unit	\$184,076	\$202,387	\$133,296
Land Cost	\$0 \$1 per year lease	\$1,500,000 \$12,500/unit	\$1,100,000 \$7,051/unit
Acquisition of Building	NA	NA	\$8,710,000 \$55,833/unit
Hard Construction or Rehabilitation Cost	\$15,068,550 \$118,650/unit \$104.53/Sq. Ft.	\$15,980,092 \$133,167/unit TBD	\$4,702,500 \$30,144/unit \$37.79/Square Foot
Set Aside Period	50 years	Peperuity	50 years
Set Aside Levels	90%<60% AMI 10%<33% AMI	84.2%<60% AMI 10.8%<33% AMI 5.0<22% AMI	19.9% (31 units)<40% AMI 60.2% (94 units)<60% AMI 19.9% (31 units)<80% AMI

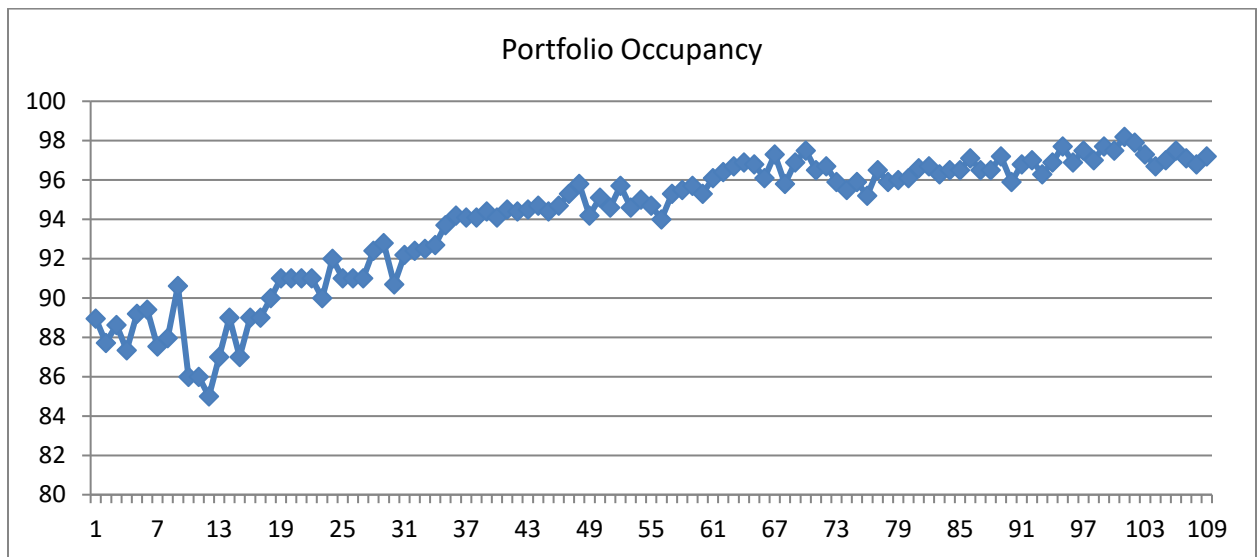
V. Update on Existing Rental Properties—Informational

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:

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Development	Location	Building Type Demographic	Units	TDC	JHFA Loan
Caroline Oaks 4-22-15	North Main, east side just south of E. 43 rd Street	3-Story Elevator NC Elderly	82	\$14,146,603	\$5.6 million bonds \$2.2 million JHFA loan
Cathedral Terrace 1-21-16	701 N. Ocean St.	High Rise Rehab Elderly	240	\$25,604,057	\$12.5 million bonds \$1.0 million JHFA loan
Peyton Ridge 4-7-16	1800 Corporate Square Blvd	3-Story Elevator NC Elderly	120	\$16,894,456	\$115,000
Mt. Carmel Gardens 8-19-16	5746 Mt. Carmel Terrace	High Rise Rehab Elderly	207	\$21,631,853	\$9.75 million bonds
Mary Eaves 8-19-16	East of intersection of Myrtle Ave. N. & West 16 th St.	Mid-Rise NC Elderly	80	\$13,325,568	\$300,000
Lofts at LaVilla 10-12-16	906 West Bay Street	Mid-Rise NC Family	130	\$23,382,885	\$265,000
Timberwood Trace 2-1-17	12250 Atlantic Boulevard	Garden Rehab Family	224	\$31,238,140	\$16.0 million bonds
Oakwood Villa 6-30-17	8201 Kona Avenue	Garden Rehab Family	200	\$23,092,183	\$12.7 million bonds
Lofts at LaVilla on Monroe 9-29-17	1000 West Monroe Street	Mid-Rise NC Family	108	\$20,245,500	\$303,750
Houston Street Manor	615 Houston Street	Mid-Rise NC Elderly	72	\$21,465,333	\$115,000
Caroline Arms 7-3-18	6457 Fort Caroline Road	Garden Rehab Family	204	\$22,630,922	\$12.5 million bonds
Lofts at Jefferson Station 10-3-18	799 Water Street	Mid-Rise NC Family	98	\$20,943,699	\$225,750
Millennia Portfolio 10-24-18	Valencia (Eureka Gardens) 1214 Labelle Street The Weldon (Moncrief Village) 1650 Moncrief Village Drive N. Palmetto Glen (Southside) 2301 Westmont St. Calloway Cove (Washington Heights) 4229 Moncrief Rd. West	Garden Rehab Family	768	\$129,590,169	\$81.6 million bonds
Desert Winds/Silver Creek 12-28-18	300 Silver Creek Trace	Garden Rehab Family	304	\$38,294,751	\$22.0 million bonds
TOTAL			2,837	\$422,786,119	\$172.65 million bonds \$4.525 million JHFA loans

2. **Occupancy:** The current portfolio occupancy using a weighted average is 97.2% (+0.4%).
3. **Recommendation:** None.



VI. 2019 Legislative Session—Informational

1. The 2019 legislative session begins March 5, and is scheduled to end May 3.

Senate	House
President Bill Galvano	Speaker Jose Oliva
Appropriations Chair Rob Bradley	Appropriations Chair Travis Cummings
TED Appropriations Chair Travis Hutson	TED Appropriations Chair Jay Trumbull
2. The latest (December 2018) revenue estimate for doc stamp distributions into the Housing Trust Funds for FY 19-20 is \$328.2 million. Also available are monies in the trust fund that were neither swept nor appropriated, and some interest earning, bringing the total available for appropriation in FY 19-20 to \$352,378,000 (\$246.93 SHIP/Catalyst and \$105.448 FHFC programs/SAIL). The estimated impact of appropriating all available funds to housing programs:

Program	SAIL	SHIP	Combined Totals
Funding	\$105,448,000	\$246,930,000	\$352,378,000
TDC Produced	\$536,835,597	\$1,329,929,258	\$1,866,764,855
# of Units	2,403	10,796	13,199
Leveraging other \$	\$431,387,597	\$1,082,999,258	\$1,514,386,855
Jobs Created	7,958	22,913	30,871
Economic Impact	\$1,154,991,280	\$3,277,287,304	\$4,432,278,584

3. Governor DeSantis released his proposed budget February 1, and including full funding for housing—using every penny in the trust funds for housing programs and sweeping no monies. Senator Bradley stated that he and President Galvano intend to fully fund housing in the Senate budget. The House will be the focus.

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
FHFC: SAIL Line 2315	\$ 85,448,000			
FHFC: SAIL Workforce Keys Line 2315	\$ 20,000,000			
SHIP Line 2316	\$246,430,000			
Catalyst Training Line 2226	\$ 500,000			
TOTAL HOUSING	\$352,378,000			
SHTF SWEEP	\$0			
LGHTF SWEEP	\$0			
TOTAL SWEEP	\$0			
Unallocated SHTF	\$0			
Unallocated LGHTF	\$0			

4. The SHIP distributions—at full funding—have been calculated for FY 19-20. With all monies in the housing trust funds appropriated for housing, Jacksonville would receive \$11,446,821). The legislator one-pagers are complete and in the Board Packet.
5. However, we are hearing from multiple members of the legislature a new talking point—“Housing funding isn’t needed because if local governments would just relax regulations and not charge impact fees, housing would be affordable”. We are working on a counter-message, as obviously, this notion is not accurate. Housing is sold for what the market will pay—the same home sold in Naples costs more than if it were sold in Tallahassee. Sellers of homes don’t lower the sales price because they save money with fee reductions. Emergency repairs aren’t less costly because there aren’t impact fees. Down payment assistance is needed whatever the price of housing. And most importantly, the gap that SAIL fills is several million dollars per deal, not a few dollars that would be saved by any regulatory cost reductions.

6. Senator Kathleen Passidomo (R-Naples) filed a bill to prohibit sweeps of the trust funds (SB70). Because she is Majority Leader, she dropped sponsorship of all bills (to keep the House from holding a member of Senate leadership's bills hostage in negotiations), and Senator Mayfield (R-Melbourne) is now the lead sponsor. While this bill does not absolutely restrict sweeps (it would take a Constitutional amendment to accomplish that), it is an important part of our strategy to keep the pressure for full funding. We are working with various Republican House members to file the House companion, and expect Rep. Plasencia to file it later this month.
7. Other housing bills have been filed or are in the works. Some may have good aspects, and some are simply bad concepts. We will be monitoring and working with legislators to move forward any good policy changes.
8. **Recommendations:** Meet with your legislators to ask them to support the Governor's proposed budget for full housing appropriations, and not to sweep any of the housing trust funds. It is important to tell the story: We have a crisis, we have the funds to address it, and we have proven programs that work. This isn't "throwing money at a problem", it is funding programs that have proven over 25 years that they are effective and attract massive private sector investment in affordable housing.

VII. 2019 Florida ALHFA Conference Sponsorship—Action

1. The 2019 Florida ALHFA Conference will be held in Atlantic Beach (One Ocean Hotel) from July 10-13.
2. In recent years, JHFA has sponsored at the "Host" or "Platinum" level (\$5,000), along with most other larger HFA's. This entitles the JHFA to one comp registration, and other benefits for guests of attendees.
3. **Recommendation:** Approve Host level sponsorship for 2019 Florida ALHFA Conference.

A RESOLUTION APPROVING THE ISSUANCE BY THE JACKSONVILLE HOUSING FINANCE AUTHORITY OF ITS HOMEOWNER MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN ORIGINAL AGGREGATE FACE AMOUNT NOT TO EXCEED \$50,000,000 FOR THE PURPOSE OF PURCHASING MORTGAGE LOANS ORIGINATED BY PARTICIPATING LOCAL LENDING INSTITUTIONS TO FINANCE THE PURCHASE OR REHABILITATION OF NEW OR EXISTING OWNER-OCCUPIED RESIDENCES SITUATED IN DUVAL COUNTY, FLORIDA OR PURCHASING SECURITIES EVIDENCING INTERESTS IN OR BACKED BY A POOL OF SUCH MORTGAGE LOANS, INCLUDING SECURITIES GUARANTEED BY THE FEDERAL GOVERNMENT OR AGENCIES THEREOF OR FOR THE PURPOSE OF REFUNDING OUTSTANDING BONDS OF THE JACKSONVILLE HOUSING FINANCE AUTHORITY PREVIOUSLY ISSUED FOR SUCH PURPOSE; PROVIDING FOR THE HOLDING OF A PUBLIC HEARING; REQUESTING THE INTRODUCTION OF A RESOLUTION OF THE COUNCIL OF THE CITY OF JACKSONVILLE, FLORIDA APPROVING THE ISSUANCE OF THE BONDS; AUTHORIZING SUBMISSION OF A REQUEST FOR A PRIVATE ACTIVITY BOND VOLUME CAP ALLOCATION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the Jacksonville Housing Finance Authority that:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to Part IV, Chapter 159, Florida Statutes, as amended, Chapter 52, Ordinance Code of the City of Jacksonville, Florida (the "City"), as amended, Ordinance 2014-185-E of the City, and other applicable provisions of law (collectively, the "Act").

SECTION 2. FINDINGS. The Jacksonville Housing Finance Authority (the "Authority") hereby finds, determines and declares as follows:

A. The Authority, pursuant to the Act, has the authority to issue its homeowner mortgage revenue bonds, in one or more series, in an aggregate face amount of not to exceed \$50,000,000 (the "Bonds") for the purpose of purchasing mortgage loans, and promissory notes executed in connection with such mortgage loans (the "Mortgage Loans"), made for the construction, purchase, improvement or rehabilitation of owner occupied single family residences located in Duval County, Florida (the "County") or securities evidencing interests in or backed by a pool of such Mortgage Loans, including, without limitation, securities guaranteed by the federal government or agencies thereof (the "Project") or to refund outstanding bonds of the Authority to provide funds for the Project.

B. The Project and the issuance of the Bonds to finance the Project in the County will have a substantial public benefit.

C. The issuance of the Bonds must be approved by the Council of the City, the applicable elected representative within the meaning of Section 147 of the Internal Revenue Code of 1986, as amended, (the "Code") prior to the issuance thereof.

SECTION 3. AUTHORIZATION OF BONDS. The Authority hereby approves the issuance of the Bonds in an aggregate face amount not to exceed \$50,000,000. Such Bonds will have the terms and conditions set forth in a subsequent resolution of the Authority adopted prior to the sale thereof. The Bonds will not constitute a debt, liability, general or moral obligation, or a pledge of the faith or loan of the credit of the Authority, the City, the State of Florida (the "State") or any political subdivision thereof, within the meaning of any constitutional or statutory limitations or provisions. Neither the Authority, the City, the State nor any political subdivision thereof shall be liable thereon, nor shall the Bonds be payable out of any funds or property other than as expressly provided in the indenture with respect to such Bonds.

SECTION 4. INTRODUCTION OF COUNCIL RESOLUTION. The Authority hereby recommends the issuance of the Bonds and the financing of the Project for approval to the Council of the City (the "Council") and hereby requests introduction to the Council of a resolution, approving the issuance of the Bonds for the purposes of Chapter 52 of the Ordinance Code of the City and Section 147(f) of the Code.

SECTION 5. VOLUME CAP. The staff and financing team of the Authority are authorized to prepare and submit an application for allocation of the private activity bond volume cap for calendar year 2019 as described in the Council resolution.

SECTION 6. TEFRA HEARING. As permitted by Section 147(f) of the Code, a public hearing with respect to the Bonds will be scheduled, noticed, conducted and held by the Finance Director (or her designee) on behalf of the Authority. The Finance Director of the Authority (or her designee) is hereby designated as the hearing officer of the Authority for such purpose, and, in furtherance thereof, she shall prepare and file with the Council a report of the public hearing. The form of notice of public hearing attached hereto as EXHIBIT A is hereby approved and the publishing thereof approved and/or ratified by the Authority.

SECTION 7. SEVERABILITY. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

SECTION 8. REPEALING CLAUSE. All resolutions or parts thereof of the Authority in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 9. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 20th day of February, 2019.

**JACKSONVILLE HOUSING FINANCE
AUTHORITY**

By: _____
Name: William I. Gulliford, III
Title: Chair

FORM APPROVED:

By: _____
Office of the General Counsel

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, of a public hearing by the Jacksonville Housing Finance Authority (the "Authority") to be held on [____], 2019, at 214 N. Hogan Street, [__] Floor, Room [__], Jacksonville, Florida 32202, at [____], or as soon thereafter as possible, for the purpose of receiving comments and hearing discussion concerning the issuance by the Authority of its Homeowner Mortgage Revenue Bonds in one or more series, in an aggregate face amount of not to exceed \$50,000,000 (the "Bonds"). Proceeds of the Bonds will be used to (a) purchase mortgage loans originated by participating local lending institutions to finance the purchase or rehabilitation of new or existing owner-occupied single-family residences situated within Duval County, Florida, by persons or families of low, moderate or middle income, or to purchase securities from a master servicer evidencing interests in or backed by a pool of such mortgage loans, including, without limitation, securities guaranteed by the federal government or agencies thereof (the "Project"), or (b) to refund portions of previously issued homeowner mortgage revenue bonds to thereby make funds available for the financing of the Project.

All interested persons are invited to attend said hearing and, either personally or through their representatives, present oral or written comments and discussion concerning the proposed issuance of the Bonds for the purposes described in the preceding paragraph and the nature and location of the Project. Written comments may be submitted to the Jacksonville Housing Finance Authority at 214 N. Hogan Street, 7th Floor, Jacksonville, Florida 32202. Should any person decide to appeal any decision made by the Authority at this hearing, or by the Council of the City of Jacksonville with respect to the approval of the issuance of the Bonds for the purposes described in the preceding paragraph, he or she will need a record of the proceedings, and he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the Jacksonville Housing Finance Authority at (904) 255-8200.

All interested persons are invited to attend and be heard and present their comments.

JACKSONVILLE HOUSING FINANCE AUTHORITY

Laura Stagner-Crites, Finance Director

[____], 2019

THE HENDRICKSON COMPANY

MEMORANDUM

To: Jacksonville Housing Finance Authority Board of Directors

From: Mark Hendrickson, Financial Advisor

Subject: Analysis of the Monaco I & II Arms Bond Application

Date: January 16, 2019

Attached is an analysis of the Monaco Arms 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.

The development was constructed in two phases; however, the acquisition/rehabilitation will be a single financial transaction. As a result, "Monaco Arms I & II" is referred to as "Monaco Arms" for the purposes of this analysis.

I. Summary of Findings

A. Summary of key criteria:

Question	Monaco Arms
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 2019?	Yes, Spring 2019
Is the product being proposed adequate in terms of design and amenities?	Generally yes, but waivers requested for some items
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, rehabilitating 46 to 47-year old Section 8 units
Did the responses within the application contain adequate responses to important questions, relating to financing and other key issues?	Yes, once all materials were submitted
Recommend Inducement?	Yes

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B. Summary of the Proposed Development

Name	Monaco Arms
Owner Entity*	Monaco Arms Preservation, Ltd.
Developer/Location	Lincoln Avenue Capital Santa Monica, CA
Type	Acquisition and Rehabilitation Garden
Street Address	10415 & 10525 Monaco Drive 32218 Northside
City Council District	District 8-- Ju'Coby Pittman
Units	156
Bedrooms	264
Square Feet	124,450
# of Buildings	17, 15 residential, 1 community room, and 1 office/laundry
# of Stories	2
Bond Request	\$16,830,000 \$1075885/unit
Total Cost	\$20,794,248
Cost Per Unit	\$133,296
Land Cost	\$1,100,000 \$7,051/unit
Acquisition of Building Cost	\$8,710,000 \$55,833/unit
Hard Construction Cost	\$4,702,500 \$30,144/unit \$37.79/Sq. Ft.
General Contractor	ETC Pyramid
Credit Enhancement	Long-Term Bonds/Citibank funded
Set-Aside Period	50 years
Set-Aside Levels	19.9% (31 units)<40% AMI 60.2% (94 units)<60% AMI 19.9% (31 units)<80% AMI

C. Summary of Findings and Recommendations for Monaco Arms:

1. The development appears economically feasible.
2. The development's resident programs meet or exceed minimum JHFA requirements. While the unit and development amenities meet most JHFA standards, due to budget and space restraints, they do not meet all JHFA requirements, and a waiver of some features has been requested.
3. The costs and fees associated with the development appear to be reasonable.
4. The development's energy efficiency items meet most JHFA standards, due to budget restraints, they do not meet all JHFA requirements, and a waiver of two features has been requested.
5. The site is controlled by the Applicant, has proper zoning, and has evidence of availability of water, sewer, roads and electricity. The transaction could close in the 1st or 2nd quarter of 2019.

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6. The developer and development team have extensive experience in affordable housing, and have successfully closed a bond deal with JHFA.
 7. The credit underwriter will order and evaluate an independent market analysis.
 8. **Recommendations:**
 - Permit Monaco Arms 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. Monaco Arms Analysis:

Monaco Arms is a proposed 156-unit acquisition and rehabilitation of a garden apartment development built in the Northside area in 1972 and 1973. The development has 125 of the 156 units with project based rental assistance (Section 8).

A. Financing & Cost Analysis:

1. The financing structure uses construction and permanent financing through a Citibank tax-exempt loan (bonds).
2. The Applicant provided a letter of interest for a \$16.83 million construction and \$12.41 million permanent tax-exempt loan from Citibank. The proposed permanent loan would have a 30-year term, 35-year amortization, and an interest rate of a 6.0% (with final rate determination at time of bond closing).
3. The Applicant provided a Letter of Interest for Housing Credit syndication from Boston Financial. The price is \$0.96 per \$1 of credits (price of credits seems high in today's market).
4. The Applicant is not applying for SAIL or JHFA subordinate financing.
5. The developer proposes to defer \$1,629,265 of the \$2,932,828 developer fee (56%).
6. **Financing & Cost Issues:**
 - The financing commitments are adequate for this stage of the process.

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B. Sources:

Permanent Loan Period

Source	\$	Per Unit	% of Development Cost
Tax Exempt Bonds	\$12,410,000	\$ 79,551	60%
Housing Credits	\$ 6,754,983	\$ 43,301	32%
SAIL & ELI	\$ 0	\$ 0	0%
JHFA Loan	\$ 0	\$ 0	0%
Deferred Developer Fee	\$ 1,629,265	\$ 10,444	8%
TOTAL	\$20,794,248	\$133,296	100%

C. Development Information, Including Design and Amenities

Unit Mix		
Bedroom/Baths	Number	Square Footage
1/1	48	650
2/1	108	850
3/2	0	N.A.
4/2	0	N.A.

- Monaco Arms is a proposed 156-unit acquisition/rehabilitation family development, in fifteen garden apartment building constructed in 1972 and 1973. There is also a 1,050 square foot community room building and a 400 square foot laundry building.
- In addition to meeting all building code, Fair Housing Act, and Americans with Disabilities Act requirement, the following are also required amenities:
 - Air conditioning
 - Cable TV hook-up
 - At least two full bathrooms in all 3 bedroom and larger units
 - Full sized appliances in all units
 - Exterior lighting for all buildings and parking areas
 - Window Treatment: mini-blinds
- Unit amenities (in addition to those required) include:
 - Ceramic tile bathroom floors
 - Microwave
 - Garbage disposal
 - Steel entry door frames

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- Double compartment kitchen sink
4. Development amenities include:
- 30-year expected life roofing
 - Gated community with “carded” entry or security guard
 - Termite prevention/detection system
 - Community Center or clubhouse
 - Swimming pool
 - Playground/tot lot
 - Car care area
 - 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
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 qualified roofing material or coating
 - Energy Star rating for all windows
 - Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings
 - Eco-friendly flooring—Carpet & Rug Institute Green Label certified carpet and pad, bamboo, cork, recycle content tile, and/or natural linoleum
 - Eco-friendly cabinets, formaldehyde free, material certified by the Forest Stewardship Council
7. **Design, Amenity & Energy Efficiency Issues: Waiver Requests Needed**
- The proposed development does not meet all requirements for unit and development amenities and energy conservation feature. They have submitted a waiver request letter, that explains why

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certain features cannot be provided due to either physical or financial feasibility. A copy of that letter is attached.

- For the unit amenities, the developer can achieve 21 of required 25 points. They cannot provide dishwashers or laundry hook-ups due to space constraints (and for dishwashers due to expected mitigation and environmental impact of disturbing asbestos containing material), and cannot provide a sprinkler system due to the environmental impact of disturbing asbestos containing materials.
- For energy efficiency, the developer cannot provide the mandatory SEER 14 rating on 80% of the HVAC at this time, but that they will be replaced with SEER 16 rating models when their useful life ends in the next few years. The heating and cooling system ducts will not be sealed and insulated to prohibitive costs.
- In summary, deals that have only bonds and 4% Housing Credits as sources of funds cannot create a rehabilitation budget that is equivalent to those of deals with SAIL or 9% HC. When the HFA finances these deals, the cost of basic rehabilitation on older properties can utilize almost all available funds. The question is: will the development be materially improved with the proposed scope of work.

D. Public Purpose/ Resident Services

1. The set-aside period is for 50 years.
2. The income set-aside 31 units at 40% AMI, 94 units at 60% AMI, and 31 units at 80% AMI—using income averaging now permitted by federal tax law.
3. 125 of the 156 units have project based rental assistance, with 20 years remaining on the HAP contract. Therefore, the actual income of the residents will be much lower than the set-aside requirement.
4. 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)

4. Public Purpose Issues: None

- The Applicant is providing services and programs for residents that meet JHFA standards.

E. Ability to Proceed

1. **Site control is established by a contract for purchase and sale.**
2. The site is zoned RMD-D, Residential Medium Density, for which the development is an allowable use (and the facility already exists).

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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 June 2018. This is extremely optimistic—with a realistic date in late summer 2018.
6. **Ability to Proceed Issues: None.**

F. Experience of Development Team:

1. The developer and the members of the team that were identified have adequate experience with affordable housing, bond transactions, and housing credits. This team recently closed the Caroline Arms bond transaction.
2. 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

3. This development is located in Northside. It is an existing development with 125 of 156 units having project based rental assistance (Section 8). Accordingly, there are few market concerns.
4. An independent market study will be evaluated by the credit underwriter.

5. Site Location and Market Issues: None.

RESOLUTION

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE JACKSONVILLE HOUSING FINANCE AUTHORITY RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$16,830,000 AGGREGATE PRINCIPAL AMOUNT OF ITS MULTIFAMILY HOUSING REVENUE BONDS (MONACO ARMS APARTMENTS), SERIES 2019, FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COSTS RELATED TO THE ACQUISITION, AND REHABILITATION OF A MULTIFAMILY RESIDENTIAL HOUSING FACILITY FOR FAMILIES OF LOW, MIDDLE OR MODERATE INCOME; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Monaco Arms Preservation, Ltd. and its permitted successors and assigns (the "Company") has applied to the Jacksonville Housing Finance Authority (the "Authority") to: (a) issue its Multifamily Housing Revenue Bonds (Monaco Arms Apartments), Series 2019 in a principal amount not to exceed \$16,830,000 (the "Bonds") for the purpose of financing all or a portion of the costs related to the acquisition and rehabilitation of a multifamily residential housing facility to be located at 10415 and 10525 Monaco Drive, Jacksonville, Duval County, Florida 32218 (the "County"), consisting of approximately of 15 two-story residential buildings to be commonly known as Monaco Arms Apartments (the "Project"), to be occupied by low, middle or moderate income persons in accordance with the Company's application submitted to the Authority, and (b) loan the proceeds of the Bonds to the Company pursuant to Chapter 159, Part IV, Florida Statutes, or such other provision or provisions of Florida law as the Authority may determine advisable (collectively, the "Act"); and

WHEREAS, a determination by the Authority to issue the Bonds under the Act, if so requested by the Company, in one or more issues or series not exceeding an aggregate principal amount of \$16,830,000 and to loan the proceeds thereof to the Company to finance the Project under a loan agreement or other financing agreement which will provide that payments thereunder be at least sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds and such other costs in connection therewith as may be incurred by the Authority, will assist the Company and promote the purposes provided in the Act; and

WHEREAS, the Company executed and delivered that certain Preliminary Agreement between the Authority and the Company relating to the issuance of the Bonds, attached hereto as EXHIBIT A (the "Preliminary Agreement") providing understandings relative to the proposed issuance of the Bonds by the Authority to finance the Project in an aggregate principal amount not to exceed the lesser of: (a) \$16,830,000 or (b) the cost of the Project, as determined by the Authority; and

WHEREAS, in order to satisfy certain of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, the Authority held a public hearing on the proposed issuance of the Bonds for the purposes herein stated, which hearing was scheduled at least fourteen (14) days following the publication of notice of public hearing in a newspaper of general circulation in the County (a copy of such notice is attached hereto as EXHIBIT B), which public hearing was conducted in a manner that provided a reasonable opportunity for persons with differing views to be heard, both orally and in writing, on both the issuance of such Bonds and the location and nature of the portion of the Project to be financed with the proceeds therefrom; and

WHEREAS, it is intended that this Resolution ("Resolution") shall constitute official action toward the issuance of the Bonds within the meaning of the applicable United States Treasury Regulations.

NOW, THEREFORE, BE IT DETERMINED AND RESOLVED BY THE JACKSONVILLE HOUSING FINANCE AUTHORITY THAT:

SECTION 1. APPROVAL OF THE PROJECT. The acquisition and rehabilitation of the Project and the financing thereof by the Authority through the issuance of the Bonds, pursuant to the Act, will promote the health and welfare of the citizens of the County and will thereby serve the public purposes of the Act.

SECTION 2. AUTHORIZATION OF THE BONDS. Subject to receipt by the Authority of at least \$16,830,000 of private activity bond allocation from the Division of Bond Finance, there is hereby authorized to be issued and the Authority hereby determines to issue the Bonds, if so requested by the Company and subject to the conditions set forth in the Preliminary Agreement and any subsequent resolution of the Authority related to the Bonds, in one or more issues or series in an aggregate principal amount not to exceed \$16,830,000 for the purpose of financing the Project. The Bonds shall be designated "Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Monaco Arms Apartments), Series 2019" or such other name or series designation as the Authority may subsequently determine. The Bonds shall not be issued unless such Bonds are in compliance with the applicable terms and conditions of the Authority's Multifamily Bond Allocation Policies and Procedures and Program Handbook (revised September 2018). The rate of interest payable on the Bonds shall not exceed the rate permitted by law.

SECTION 3. RECOMMENDATION FOR APPROVAL TO CITY COUNCIL OF THE CITY OF JACKSONVILLE, FLORIDA. The Authority hereby recommends the issuance of the Bonds and the financing of the Project for approval to the City Council of the City of Jacksonville, Florida (the "City"). The Authority hereby directs the Chair or Vice Chair, at the expense of the Company, to seek approval for the issuance of the Bonds and the financing of the Project by the City as the applicable elected representatives of the County under and pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended.

SECTION 4. GENERAL AUTHORIZATION. The Chair, the Vice Chair, the Secretary and counsel for the Authority, the Authority's financial advisor and bond counsel, are hereby further authorized to proceed, upon execution of the Preliminary Agreement, with the undertakings provided for therein on the part of the Authority and are further authorized to take such steps and actions as may be required and necessary in order to cause the Authority to issue the Bonds subject to the terms and conditions set forth herein and in the Preliminary Agreement authorized hereby.

SECTION 5. AFFIRMATIVE ACTION. This Resolution is an affirmative action of the Authority toward the issuance of the Bonds, as contemplated in the Preliminary Agreement, in accordance with the purposes of the laws of the State of Florida (the "State") and the applicable United States Treasury Regulations.

SECTION 6. NOTICE OF PUBLIC HEARING. The Director of Finance of the Authority held a public hearing required by Section 147(f) of the Code on February 1, 2019. A copy of the notice of public hearing is attached hereto as EXHIBIT B.

SECTION 7. LIMITED OBLIGATIONS. The Bonds and the interest and premium, if any, thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the City, the County, the State or any political subdivision or agency thereof but shall be payable solely from the revenues pledged therefor pursuant to, among other things, a trust indenture, a loan agreement or financing agreement and a land use restriction agreement prior to or contemporaneously with the issuance of the Bonds.

SECTION 8. LIMITED APPROVAL. The approval given herein shall not be construed as (a) an endorsement of the creditworthiness of the Company or the financial ability of the Project, (b) a recommendation to any prospective purchaser of the Bonds, (c) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (d) an approval of any necessary re-zoning applications nor for any other regulatory permits relating to the Project and the Authority shall not be construed by reason of its adoption of this Resolution to have made any such endorsement, finding or recommendation or to have waived any right of the City's or the Authority's rights or estopping the City or the Authority from asserting any rights or responsibilities it may have in that regard.

SECTION 9. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution, or any of the documents attached hereto or contemplated hereby, should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution.

SECTION 10. EFFECTIVE DATE. This Resolution shall become effective immediately upon its passage.

APPROVED AND ADOPTED by the Jacksonville Housing Finance Authority this 20th
day of February, 2019

**JACKSONVILLE HOUSING
FINANCE AUTHORITY**

By: _____
William I. Gulliford, III, Chair

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
Office of the General Counsel

EXHIBIT LIST

- EXHIBIT A – PRELIMINARY AGREEMENT
- EXHIBIT B – NOTICE OF PUBLIC HEARING

EXHIBIT A
PRELIMINARY AGREEMENT

PRELIMINARY AGREEMENT

This **PRELIMINARY AGREEMENT** (this "Preliminary Agreement") dated as of January 29, 2019 between the **JACKSONVILLE HOUSING FINANCE AUTHORITY**, a body corporate and politic of the State of Florida (the "Authority"), and **MONACO ARMS PRESERVATION, LTD.**, a Florida limited liability limited partnership and its permitted successors and assigns (the "Company").

WITNESSETH:

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

(a) The Florida Housing Finance Authority Law (Chapter 159, Part IV, Florida Statutes), as amended (the "Act") provides that the Authority may issue its revenue bonds and loan the proceeds thereof to one or more persons, firms or private corporations, or use such proceeds to defray the cost of acquiring, by purchase or construction, certain qualifying facilities.

(b) The Company is considering the acquisition and rehabilitation of a multifamily residential housing facility for low, middle or moderate income persons to be located at 10415 and 10525 Monaco Drive, Jacksonville, Duval County, Florida 32218 (the "County") to be more commonly known as Monaco Arms Apartments (the "Project"). It is currently estimated that the cost related to the acquisition and rehabilitation of the Project will be approximately [\$20,470,000.]

(c) The Authority intends this Preliminary Agreement to constitute its official binding commitment for purposes of the Act and applicable federal tax law only, subject to the terms hereof, to issue its Multifamily Housing Revenue Bonds (Monaco Arms Apartments), Series 2019 in a principal amount not to exceed \$16,830,000 (the "Bonds") in one or more series or issues pursuant to the Act in a final amount to be determined by the Authority and to loan the proceeds thereof to the Company, or to use such proceeds, to finance all or a portion of the cost related to the acquisition and rehabilitation of the Project, including all costs incurred in connection with the issuance of the Bonds by the Authority.

(d) The Authority considers the issuance and sale of the Bonds, for the purpose hereinabove set forth, consistent with the objectives of the Act. This commitment is an affirmative official action of the Authority toward the issuance of the Bonds as herein contemplated in accordance with the purposes of both the Act and the applicable United States Treasury Regulations provided, however, the commitment is specifically subject to the terms and conditions set forth in this Preliminary Agreement and creates no rights of specific performance on the part of the Company.

SECTION 2. UNDERTAKINGS ON THE PART OF THE AUTHORITY. Subject to the terms hereof, the Authority agrees as follows:

(a) The Authority will authorize the issuance of the Bonds in the aggregate principal amount necessary and sufficient to finance all or a portion of the costs related to the acquisition and rehabilitation of the Project as the Authority and the Company shall agree in writing, but in all events, the principal amount of such Bonds shall not exceed the lesser of: (i) the costs related to the Project, as determined by the Authority, or (ii) \$16,830,000.

(b) Such actions and documents may, at the option of the Authority, permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether *pari passu* with other series of bonds or otherwise, for the purpose of defraying the cost of completion, enlargements, improvements and expansion of the Project, or any segment thereof, or refunding of the Bonds.

(c) The loan or financing agreement between the Authority and the Company (the "Loan Agreement") shall, under the terms agreed upon by the parties, provide for payments to be made by the Company in such sums as shall be necessary to pay the amounts required under the Act including the principal of and interest and redemption premium, if any, on the Bonds, as and when the same shall become due and payable.

(d) In authorizing the loan of the proceeds of the Bonds pursuant to the Loan Agreement, the Authority will make no warranty, either expressed or implied, that the proceeds of the Bonds will be sufficient to pay all costs of the acquisition and rehabilitation of the Project or that those facilities encompassed by the Project will be suitable for the Company's purposes or needs.

(e) The Bonds shall specifically provide that they are payable solely from the revenues derived from the Loan Agreement, the Trust Indenture relating to the Bonds (the "Indenture") or other agreements approved by the Authority, except to the extent payable out of amounts attributable to the proceeds of the Bonds. The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the Authority, the general credit of the City of Jacksonville, the County or of the State of Florida (the "State"), and such fact shall be plainly stated on the face of the Bonds.

SECTION 3. UNDERTAKINGS ON THE PART OF THE COMPANY. Subject to the terms hereof, the Company agrees as follows:

(a) The Company will use reasonable efforts to insure that the Bonds in the aggregate principal amount as stated above are sold; provided, however, that the terms of such Bonds and of the sale and delivery thereof shall be mutually satisfactory to the Authority and the Company.

(b) The Company will cooperate with the Authority and with the underwriters or purchasers of the Bonds and the Authority's counsel, financial advisor and bond counsel with

respect to the issuance and sale of the Bonds and will take such further action and authorize the execution of such documents as shall be required by the Authority for the authorization, issuance and sale of such Bonds and the use of the proceeds thereof to finance the cost related to the acquisition and rehabilitation of the Project all in accordance with the Authority's policies and procedures.

(c) Prior to the issuance of the Bonds, the Company will enter into the Loan Agreement, consent to the execution by the Authority of the Indenture, approve such other documents related to the Bonds, as shall be determined reasonably necessary by the Authority, providing for, among other things, the issuance, delivery and security for the Bonds and the loan or use of the proceeds of the Bonds to finance the Project. Such documents will provide, among other things, that the Company will be obligated to pay the Authority (or to trustees for holders of the Bonds on behalf of the Authority, as the case may be) sums sufficient in the aggregate to enable the Authority to pay the principal of and interest and redemption premium, if any, on the Bonds, as and when the same shall become due and payable, and all other expenses related to the issuance and delivery of the Bonds inclusive of the Authority's ongoing fees. The Company will agree in such documents that if the cost related to the acquisition and rehabilitation of the Project exceeds the amounts allocated therefor, it shall not be entitled to any additional reimbursement or funding for any such excess either from the Authority, the bondholders or the trustee for the bondholders.

(d) The Company shall be responsible for the Authority's up-front issuance fee in effect at the time the Bonds are issued and the fees of the Authority's counsel, underwriters, financial advisor and bond counsel.

(e) The Company shall, in addition to paying the amounts set forth in the Loan Agreement, pay all costs of operation, maintenance, taxes, governmental and other charges which may be assessed or levied against or with respect to the Project.

(f) The Company will hold the Authority free and harmless from any loss or damage and from any taxes or other charges levied or assessed by reason of the issuance, sale or delivery of the Bonds, as well as any mortgaging or other disposition of the Project.

(g) All costs of issuance, including, without limitation, the Authority's fees and counsel fees not paid at the time of application shall be paid in full at the time of the sale and delivery of the Bonds. The Company shall pay, upon request, a reasonable retainer to bond counsel to the Authority to compensate said counsel for legal services which must be performed whether or not the Bonds are actually issued. Any retainers so paid will be credited against the respective counsel fees payable at closing.

(h) The Company shall take all such actions such that the Bonds shall be issued in compliance with the applicable terms and conditions of the Authority's Multifamily Bond Allocation Policies and Procedures (revised September 2018).

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

(j) Should the Company cancel this Preliminary Agreement in accordance with the terms hereof, the Company shall pay any and all of the Authority's fees and expenses including, without limitation, the fees and expenses of Authority's counsel and bond counsel and financial advisor.

SECTION 4. GENERAL PROVISIONS. All commitments of the Authority under Section 2 hereof and of the Company under Section 3 hereof are subject to the conditions that the following events shall have occurred not later than December 31, 2019, or such other date as shall be mutually satisfactory to the Authority and the Company:

(a) The Company shall deliver evidence satisfactory to the Authority's counsel and bond counsel (including such opinions issued by counsel to the Company acceptable to the Authority) that the Company is an entity organized and operated under the applicable laws of the State.

(b) The Authority shall have received at least \$16,830,000 of private activity bond allocation from the Division and shall be lawfully entitled to issue the Bonds as herein contemplated.

(c) The Authority and the Company shall have agreed on mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the Indenture, the Loan Agreement or other agreements incidental to the financing or referred to in Sections 2 and 3 hereof.

(d) Such other rulings, approvals, consents, certificates of compliance, opinions of counsel and other instruments and proceedings satisfactory to the Authority as to such matters with respect to the Bonds, the Project, the Indenture, the Loan Agreement, as shall be specified by the Authority, shall have been obtained from such governmental, as well as non-governmental, agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and shall be in full force and effect at the time of issuance of the Bonds.

(e) Notwithstanding the designation as an "official binding commitment" for purposes of the Act and federal tax law, the Company and the Authority each reserve the absolute right to unilaterally cancel this Preliminary Agreement for reasonable cause at any time prior to the time the Bonds are issued by the Authority upon written notice to the other party of cancellation.

(f) If the events set forth in this Section 4 do not take place within the time set forth or any extension thereof, or if the Company or the Authority exercises its rights of cancellation as set forth in this Section 4, the Company agrees that it will pay/forfeit to the Authority the

Deposit (as defined herein) and pay the fees for Authority's counsel and bond counsel and financial advisor.

(g) The Company acknowledges that the Authority may, during the time this Preliminary Agreement is in effect, issue similar "inducement" agreements to other companies for other multifamily projects, and/or may issue bonds or participate jointly with other authorities to issue bonds for multifamily or single family housing. This Preliminary Agreement will create no priority or rights *vis a vis* subsequent agreements for the issuance of multifamily or single family bonds.

SECTION 5. DEPOSIT FROM THE COMPANY. Notwithstanding anything herein to the contrary, the Company has represented to the Authority that it expects to complete the financing of the Project on or before the December 31, 2019, utilizing not less than \$15,147,000 of the Authority's private activity bond allocation. On the basis of the foregoing representation by the Company, the Authority has agreed to reserve \$16,830,000 of its private activity bond allocation for the Project and issue the Bonds on behalf of the Company, subject to the Company's compliance with, among other things, all other applicable guidelines, policies and procedures of the Authority, as well as the terms and conditions set forth herein. The Company acknowledges and agrees that failure to consummate the sale and delivery of not less than \$15,147,000 of the Bonds on or before December 31, 2019 will result in substantial damages to the Authority which cannot be easily or adequately measured. Consequently, in addition to the \$7,500 non-refundable application fee paid to the Authority and a fee paid to the Authority's creditor underwriter for the requisite credit underwriting fee to prepare the credit underwriting report, the Company shall deliver to the Authority on or before February 1, 2019: (a) a cashier's check in the amount of \$40,000 which reflects the required final document preparation deposit (the "Deposit"), and (b) a cashier's check in the amount of \$500 to cover the initial cost of publishing the TEFRA notice and conducting a hearing, all payable to the Authority and all of which shall be immediately cashed by the Authority. In addition, the Company shall pay a \$10,000 retainer to bond counsel. If Bonds in the principal amount of not less than \$15,147,000 are sold and delivered on or before the December 31, 2019, the Authority will deliver to the Company a check in the amount of the Deposit simultaneously with the sale and delivery of the Bonds. If for any reason Bonds in the principal amount of not less than \$15,147,000 are not sold and delivered on or before the December 31, 2019, the Deposit shall be retained by the Authority as and for full liquidated damages for any defaults hereunder on the part of the Company. The Authority and the Company hereby agree that time is of the essence and it is the intent of the parties hereto that the provisions of this Preliminary Agreement be strictly construed. Should the Authority cancel this Preliminary Agreement in accordance with Section 4(e) hereof, then the Company shall be entitled to a return of the Deposit less the fees and expenses of the Authority including, without limitation, the fees and expenses of Authority's counsel (other than bond counsel) and financial advisor.

SECTION 6. BINDING EFFECT. All covenants and agreements herein contained by or on behalf of the Authority and the Company shall bind and inure to the benefit of the respective

successors and assigns of the Authority and the Company whether so expressed or not; provided, however, the Company may not assign this Preliminary Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SIGNATURE PAGE TO
PRELIMINARY AGREEMENT
(MONACO ARMS APPARTMENTS)

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

AUTHORITY:

JACKSONVILLE HOUSING FINANCE
AUTHORITY

By: 

William I. Gulliford, III, Chair

**SIGNATURE PAGE TO
PRELIMINARY AGREEMENT
(MONACO ARMS APARTMENTS)**

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

COMPANY:

MONACO ARMS PRESERVATION, LTD.

By: 

Name: Jonathan A. Gruskin

Title: Vice President of General Partner

EXHIBIT B
NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, of a public hearing by the Jacksonville Housing Finance Authority (the "Authority"), to be held on February 1, 2019, at 214 N. Hogan Street, 8th Floor, Room 825, Jacksonville, Florida, 32202, at 2:30 p.m. or as soon thereafter as possible, for the purpose of receiving comments and hearing discussion concerning the issuance by the Authority of its Multifamily Housing Revenue Bonds (Monaco Arms Apartments), Series 2019, in an aggregate face amount of not to exceed \$16,830,000 (the "Bonds"). The proceeds of the Bonds will be loaned to Monaco Arms Preservation, Ltd, or its permitted successors and assigns (the "Company"), and used for the purpose of financing all or a portion of the costs related to the acquisition and rehabilitation of existing multifamily residential housing facilities for families of low, middle or moderate income located at 10415 and 10525 Monaco Drive, Jacksonville, Duval County, Florida 32218 consisting of approximately 156 units commonly known as Monaco Arms Apartments (the "Project"). Monaco Arms Preservation, Ltd., or its affiliates is expected to be the owner and operator of the Project.

All interested persons are invited to attend said hearing and, either personally or through their representatives, present oral or written comments and discussion concerning the proposed issuance of the Bonds for the purposes described in the preceding paragraph and the nature and location of the Project. Written comments may be submitted to the Jacksonville Housing Finance Authority, 214 N. Hogan Street, 7th Floor, Jacksonville, Florida, 32202. Should any person decide to appeal any decision made by the Authority at this hearing, or by the Council of the City of Jacksonville (the "City") with respect to the approval of the issuance of the Bonds for the purposes described in the preceding paragraph, he or she will need a record of the proceedings, and he or she may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Comments made at the hearing are for the consideration of the Authority or the City and will not bind the Authority or the City to any action it may take.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the Jacksonville Housing Finance Authority at (904) 255-8200.

All interested persons are invited to attend and be heard and present their comments.

JACKSONVILLE HOUSING FINANCE AUTHORITY

Laura Stagner-Crites, Finance Director



The Vestcor Companies, Inc.
3030 Hartley Road, Suite 310
Jacksonville, Florida 32257
T 904-260-3030
F 904-260-9031

January 17, 2019

Jacksonville Housing Finance Authority
Attn: Ms. Laura Stagner-Crites, Director of Finance
214 N. Hogan St., 8th Floor
Jacksonville, FL 32202

Re: The Waves

Dear Laura:

We respectfully request a change to the unit mix for The Waves from what was reflected in the Supplement to the The Waves Multifamily Mortgage Revenue Bond Application dated March 8, 2018 from Fred McKinnies. The chart below identifies the unit mix identified in the Supplement as well as the proposed unit mix. The change in unit mix is requested to allow for standard building types that can be applied to each of the blocks that comprise the scattered site. This will allow for standardization and cost efficiencies.

	As Modified Per March 8, 2018 Supplement	Proposed
Unit Type	Number of Units per Bedroom Type	Number of Units per Bedroom Type
1/1	14	18
2/2	46	46
3/2	50	46
4/2	17	17

Please let me know if you require additional information to process the request.

Regards,



James R. Hoover
President
TVC Development, Inc.

**FIRST AMENDMENT TO
PRELIMINARY AGREEMENT**

This **FIRST AMENDMENT TO PRELIMINARY AGREEMENT** (this "First Amendment"), made and entered into as of February 20, 2019, between the **JACKSONVILLE HOUSING FINANCE AUTHORITY**, a body corporate and politic of the State of Florida (the "Authority"), and **THE WAVES OF JACKSONVILLE, LTD.**, a Florida limited partnership and its permitted successors and assigns (the "Company"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Original Agreement (as defined below).

WITNESSETH:

WHEREAS, the Authority and the Company previously entered into that certain Preliminary Agreement, dated as of March 30, 2018 (the "Original Agreement"); and

WHEREAS, the parties now desire to amend the Original Agreement as set forth herein.

NOW, THEREFORE, for and in consideration of the mutual agreements and covenants hereinafter contained, the sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendment. All references to December 31, 2018 in the Original Agreement are hereby revised to December 31, 2019.

Section 2. Applicability of Original Agreement. Except as specifically amended and modified herein, the Original Agreement shall remain in full force and effect. This First Amendment shall not be construed as approving any subsequent amendment requests.

Section 3. Counterparts. This First Amendment may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 4. Laws. This First Amendment shall be construed and governed in accordance with the laws of the State of Florida, Duval County.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Authority and the Company have executed this First Amendment by duly authorized representatives, all as of the 20th day of February, 2019.

[SEAL]

**JACKSONVILLE HOUSING FINANCE
AUTHORITY**

By: _____
Title: Chair

COMPANY:

THE WAVES OF JACKSONVILLE, LTD.,
a Florida limited partnership

By: The Waves GP, LLC, a Florida limited liability
company, its sole general partner

**By: JACKSONVILLE HOUSING
AUTHORITY**, a public body corporate and politic
established pursuant to Chapter 421 of the Florida
Statutes, its manager

By: _____
Name: Fred McKinnies
Title: President & CEO

OCCUPANCY LEVELS

12-31-18

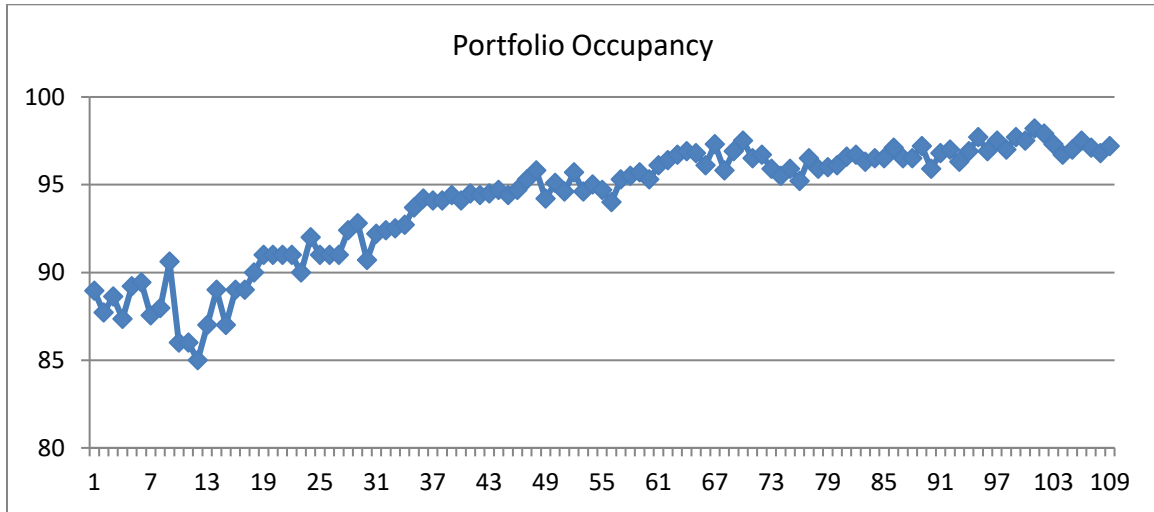
Active Rental Developments—Financed by DCHFA or JHFA

Development & Address	Developer	Original Bonds & Issue Date	Units & Occupancy
Bennett Creek 3585 Salisbury Drive 32216	Richman	\$21,600,000 12-21-10	264 98% (+1%)
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% (-0%)
Caroline Arms 6457 Fort Caroline Road 32277	Southport	\$12,500,000 7-3-18	204 96% (-0%)
Caroline Oaks 5175 Main Street N. 32208	Vestcor	\$5,600,000 4-22-15	82 96% (-3%)
Cathedral Terrace 701 N. Ocean St. 32202	Blue Sky	\$12,500,000 1-21-16	200 97% (-0%)
Christine Cove 3730 Soutel Dr 32208	Carlisle	\$6,000,000 2006	96 100% (+1%)
Desert Winds/Silver Creek 233 Sahara Ct. & 300 Silver Creek Trace 32216	LEDIC	\$22,000,000 12-28-18	304 99% (+0%) Rolling Rehab
Hartwood (AKA Hampton Ridge) 11501 Harts Road 32218	Southport	\$5,840,000 2006	110 85% (-5%)
Lofts at LaVilla 995 Water Street 32204	Vestcor	Housing Credits \$265,000 JHFA loan 10-12-16	130 94% (-1%)
Lofts at Monroe 906 W. Monroe Street 32204	Vestcor	Housing Credits \$303,750 JHFA Loan 9-29-17	108 100% (+0%)
Lofts at Jefferson 799 Water Street 32204	Vestcor	Housing Credits \$225,750 JHFA Loan 10-3-18	98
Millennia Portfolio Calloway Cove Palmetto Glen The Weldon Valencia Way	Millennia	\$81,600,000 10-24-18	768 Rolling Rehab 200/81% 74/84% 94/88% 400/88%
Mary Eaves 1250 16 th Street West 32209	Vestcor	FHFC bonds \$300,000 JHFA loan 8-19-16	80 99% (+1%)
Mt. Carmel Gardens 5846 Mt. Carmel Terrace 32216	BREC	\$9,750,000 8-19-16	207 97% (+0%)
Oakwood Villa 8201 Kona Avenue 32211	Southport	\$12,700,000 6-30-17	200 99% (+1%)
Peyton Ridge	Vestcor	Housing Credits \$115,000 JHFA loan 4-7-16	123 100% (+1%)
Timberwood Trace 12250 Atlantic Blvd. 32225	Southport	\$16,000,000 2-1-17	224 96% (-1%)
Timuquana Park Apartments 5615 Seaboard Ave. 32244	Southport	\$4,300,000 2004	100 96% (-0%)

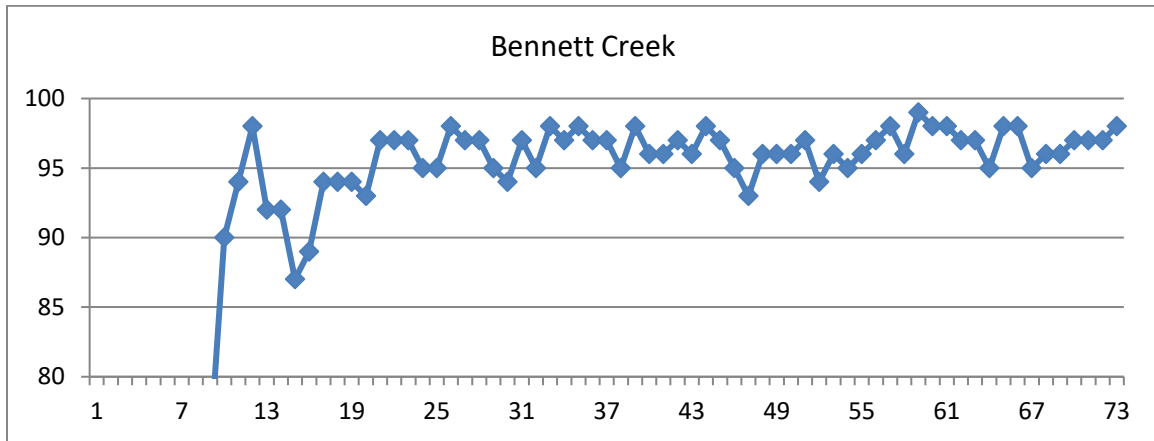
OCCUPANCY LEVELS

12-31-18

109 Month Occupancy Levels—Entire Portfolio Average Occupancy



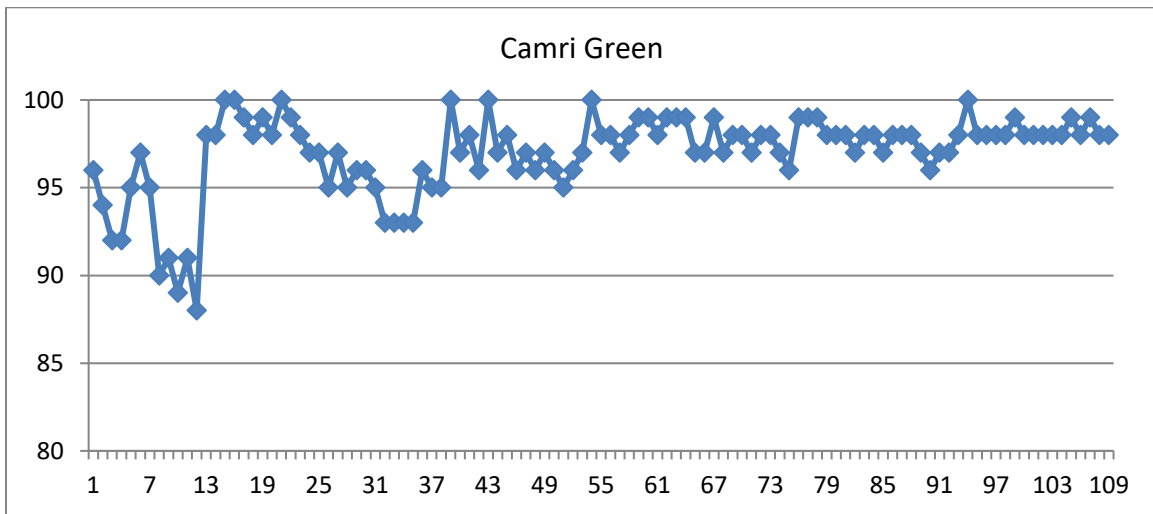
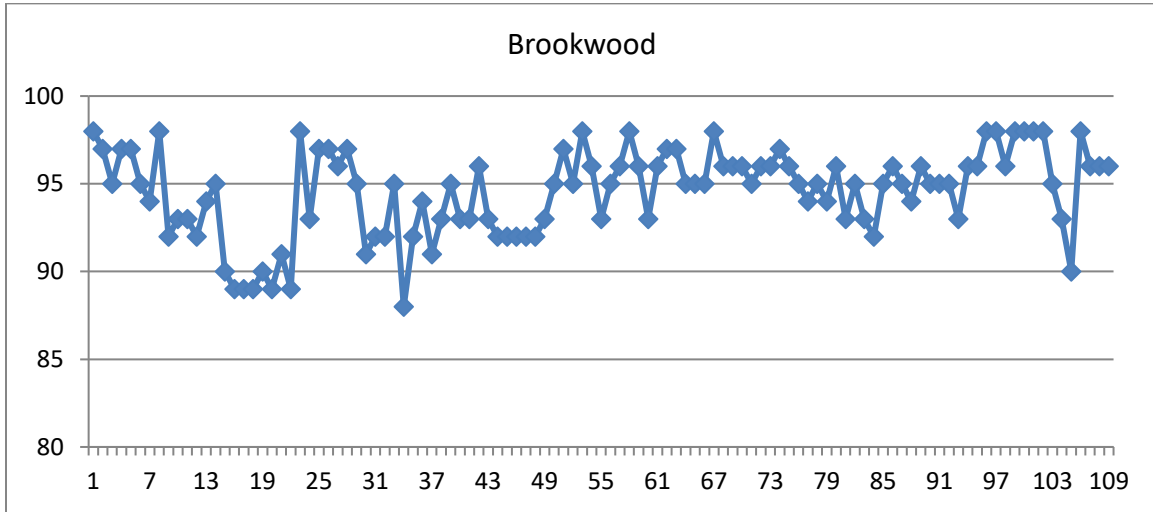
Average Occupancy by Development



OCCUPANCY LEVELS

12-31-18

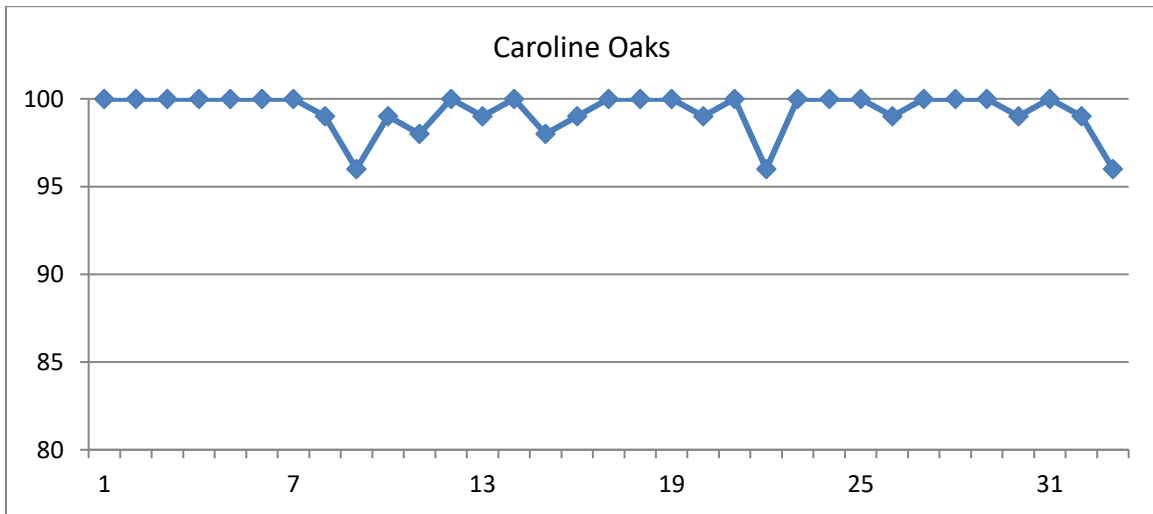
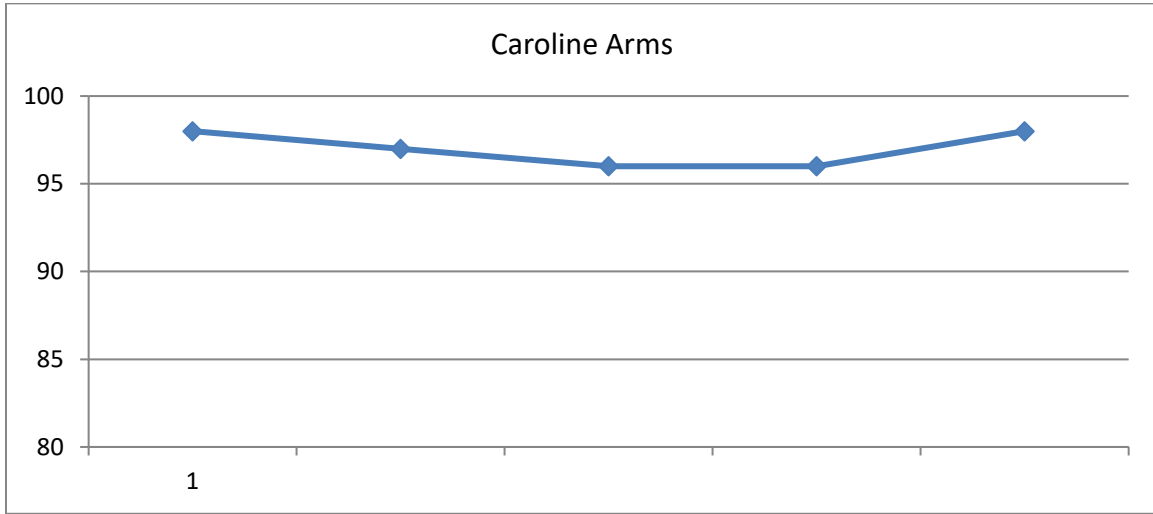
Average Occupancy by Development



OCCUPANCY LEVELS

12-31-18

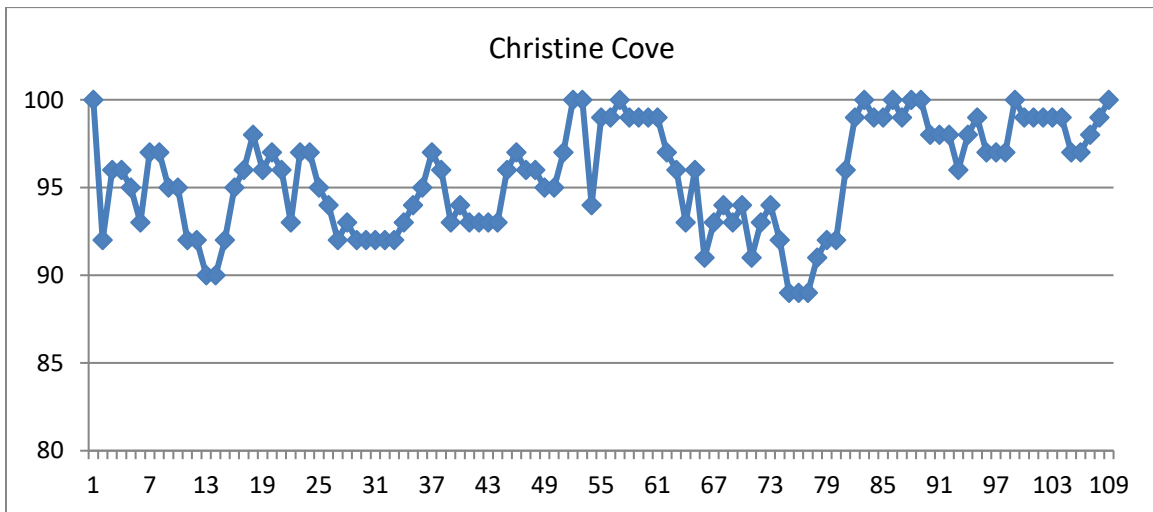
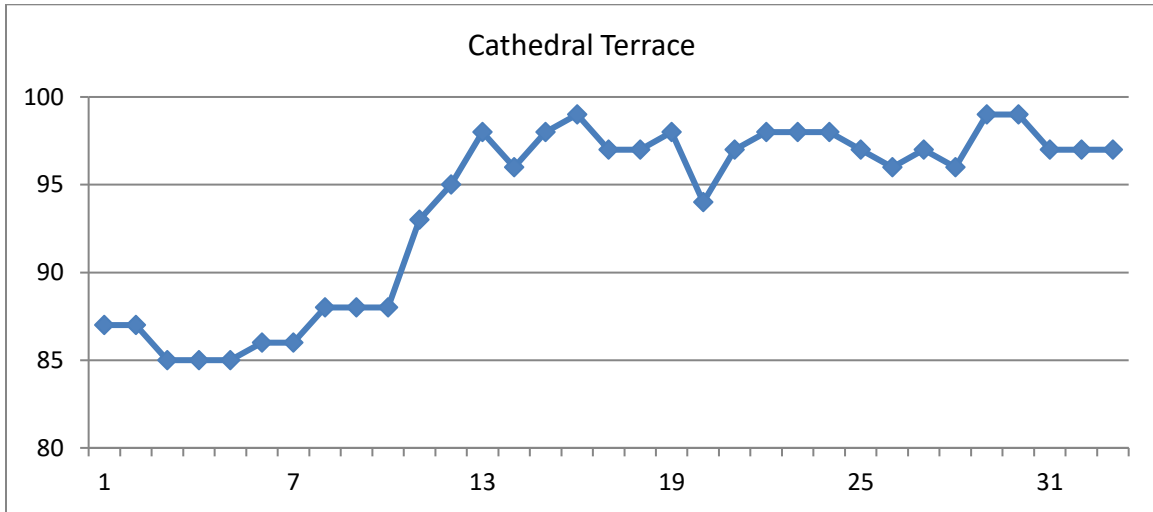
Average Occupancy by Development



OCCUPANCY LEVELS

12-31-18

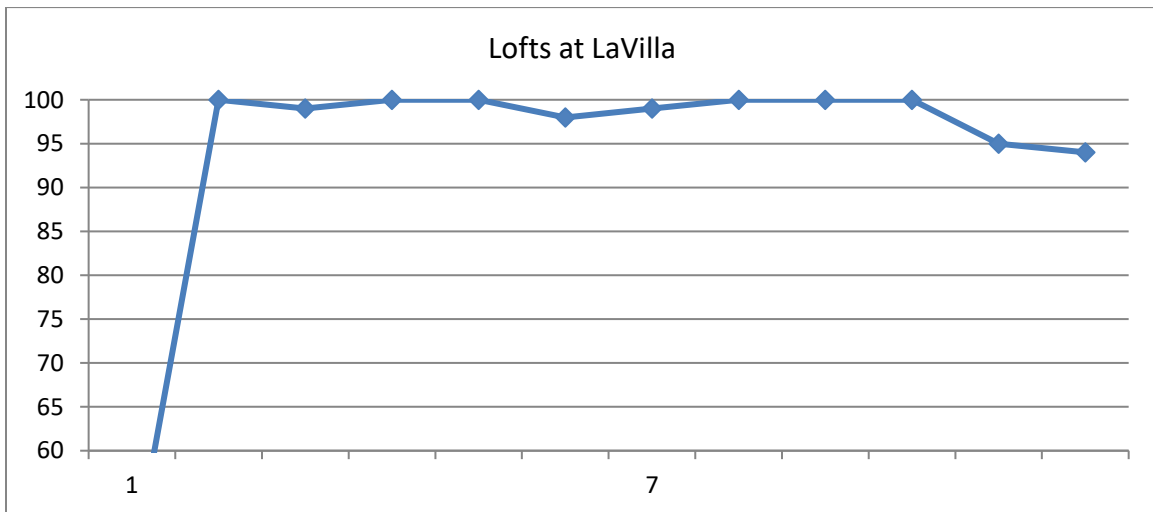
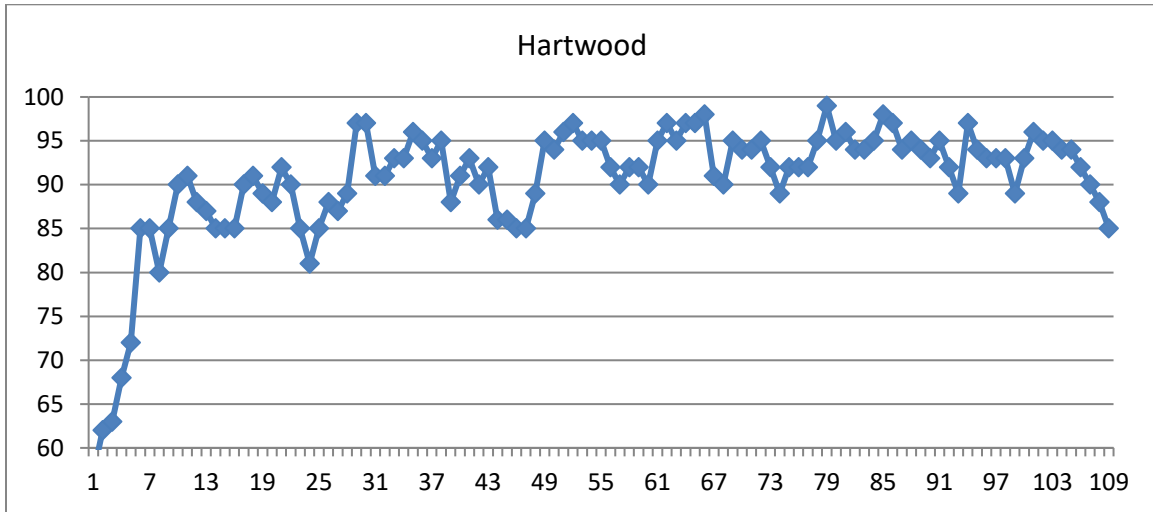
Average Occupancy by Development



OCCUPANCY LEVELS

12-31-18

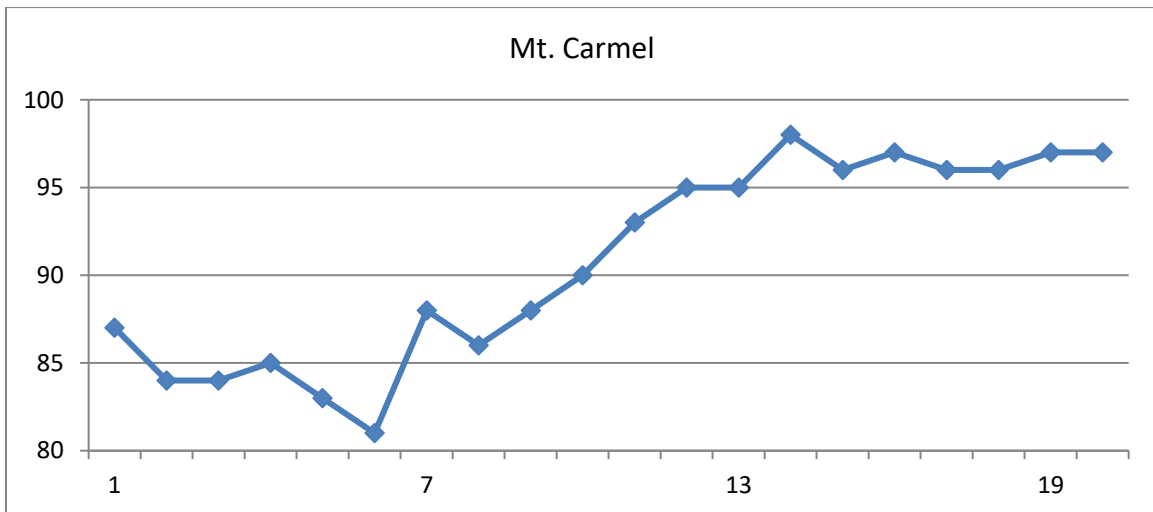
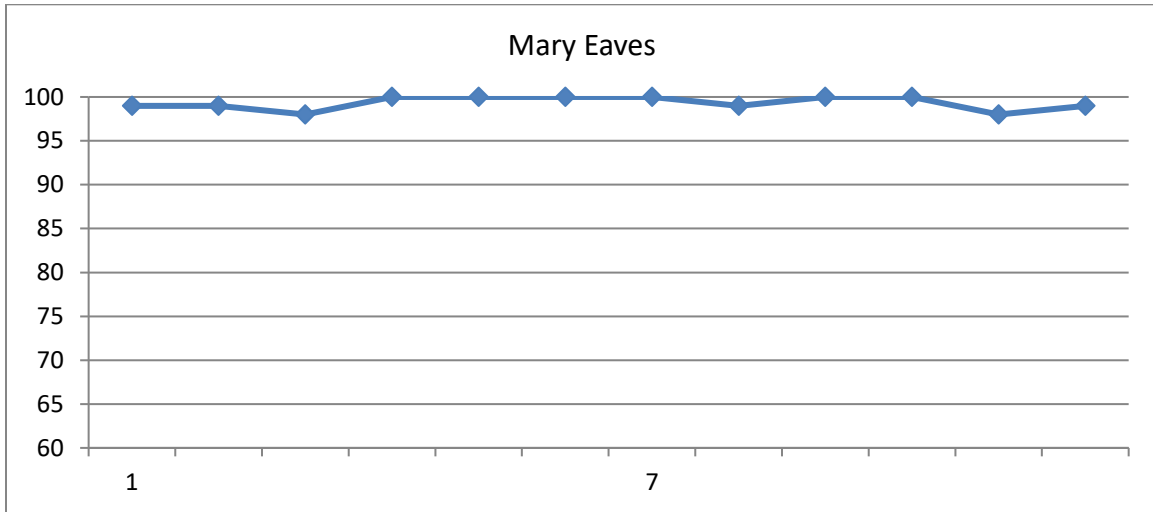
Average Occupancy by Development



OCCUPANCY LEVELS

12-31-18

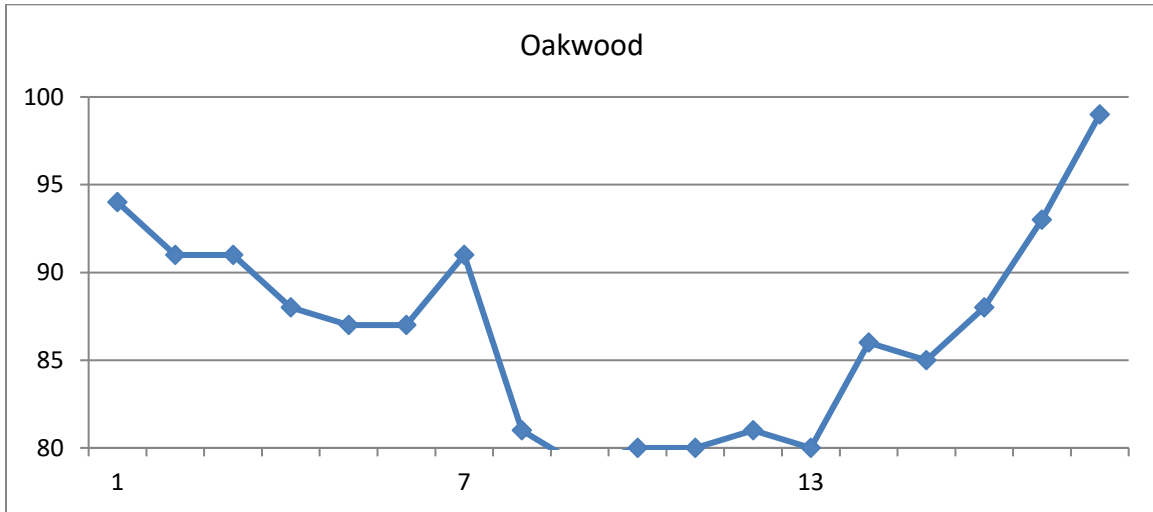
Average Occupancy by Development



OCCUPANCY LEVELS

12-31-18

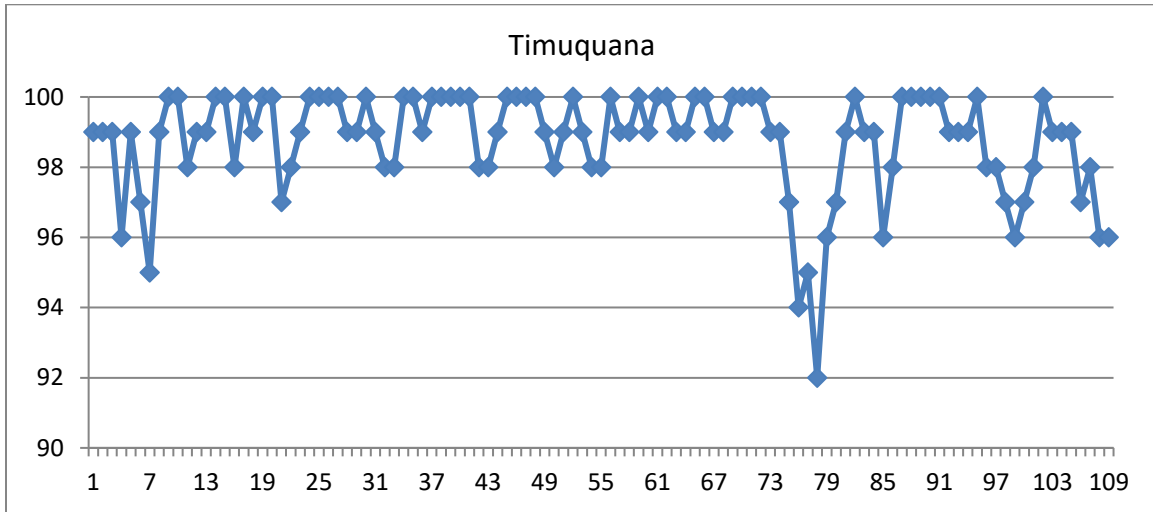
Average Occupancy by Development



OCCUPANCY LEVELS

12-31-18

Average Occupancy by Development



MANY Voices, ONE Message to the Legislature:

Appropriate all the Housing Trust Funds for Housing

What is the Sadowski Coalition and who are the Sadowski Coalition Affiliates?

- The Sadowski Coalition, a collaboration of diverse statewide organizations that urge the legislature to use all the housing trust funds for Florida's housing programs.
- The Sadowski Act passed in 1992, increasing the doc stamp tax paid on all real estate transaction and placing these monies in a dedicated state and local housing trust fund.
- Today the Sadowski Coalition is comprised of more than 30 diverse statewide organizations representing millions of Floridians.
- The Sadowski Affiliates are local and regional organizations in Florida that support the Sadowski Coalition's mission to ensure that all the state and local housing trust funds are used solely for housing.



How are florida's housing programs funded?

- 70% of monies go to the Local Government Housing Trust Fund for the State Housing Initiatives Partnership (SHIP) program which funds housing programs in all 67 counties and larger cities.
- 30% of monies go to the State Housing Trust Fund for Florida Housing Finance Corporation programs such as the State Apartment Incentive Loan (SAIL) program.

What do these programs do? Who do they serve?

- SHIP funds can be used for repair of existing housing stock to allow seniors to age in place or to provide retrofitting for persons with special needs;
- SHIP funds can be used to provide first time homeownership with down payment and closing cost assistance, as well as preservation of existing housing;
- SAIL funds can be used to rehabilitate existing apartments in dire need of repair or to build new units where needed; apartments that house Florida's most vulnerable populations, such as the frail elderly and persons with disabilities;
- SAIL and SHIP programs span from homelessness to the moderate income essential workforce;
- The beauty of both SHIP and SAIL is that they are flexible and can meet changing needs and priorities within the same program framework.

What is the need for these programs?

- More than 911,000 very low-income households in Florida pay more than 50% of their income on housing – they are one missed paycheck away from homelessness;
- Florida has the third largest homeless population in the nation.

What is the economic impact of Florida's housing programs?

- SHIP and SAIL are highly leveraged, with private sector loans and equity providing \$4 to \$6 for every one dollar of state funding—thus greatly increasing economic impact.
- The appropriation of the estimated \$352* million in the state and local housing trust funds in Fiscal Year 2019-20 into Florida's housing programs will create **over 30,000 jobs and more than \$4 BILLION in positive economic impact in Florida.***

What is our priority for the 2019 Session?

Together the Sadowski Coalition and the Sadowski Affiliates bring a cohesive message and urge the Florida Legislature to use all of Florida's housing trust fund monies for Florida's housing programs.

**\$352 million based upon documentary stamp projection from December 2018 Revenue Estimating Conference for FY 19-20 and the Governor's proposed budget.*

For more information, please visit: www.SadowskiCoalition.com

Membership in the Sadowski Affiliates is free
thanks to support from JPMorgan Chase & Co.

JPMORGAN CHASE & CO.



SADOWSKI HOUSING COALITION MEMBERS

BUSINESS/ INDUSTRY GROUPS

- Associated Industries of Florida
- Coalition of Affordable Housing Providers
- Florida Apartment Assoc.
- Florida Bankers Association
- Florida Chamber of Commerce

ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- AARP of Florida
- Florida Association of Housing and Redevelopment Officials
- Florida Coalition for the Homeless
- Florida Housing Coalition
- Florida Legal Services

GOVERNMENT/ PLANNING ORGANIZATIONS

- American Planning Assoc., Fla. Ch.
- Florida Association of Counties
- Florida Association of Local Housing Finance Authorities
- Florida League of Cities
- Florida Redevelopment Assoc.
- Florida Regional Councils Assoc.

BUSINESS/ INDUSTRY GROUPS

- Florida Green Building Coalition
- Florida Home Builders Association
- Florida Manufactured Housing Association
- Florida Mortgage Bankers Association
- Florida Realtors
- Florida Retail Federation

ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- Florida Supportive Housing Coalition
- Florida Veterans Foundation
- LeadingAge Florida
- The Arc of Florida
- United Way of Florida

FAITH BASED ORGANIZATIONS

- Florida Conference of Catholic Bishops
- Florida Impact
- Habitat for Humanity of Florida
- Volunteers of America of Florida



Many Voices. One Message.

Comprised of thousands of individuals, local, or regional organizations, Sadowski Affiliates are comprised of the local organizational members of the Sadowski Coalition members, such as local Realtors, United Way offices, and Habitat Affiliates, as well as hundreds of individuals throughout Florida who are not affiliated with any organization. They are Many Voices having One Message: Use all of the State and Local Housing Trust Funds for Housing.

PROJECTED SHIP DISTRIBUTION ESTIMATES: FY2019/20

LOCAL GOVERNMENT	COUNTY TOTAL	COUNTY SHARE/ CITY SHARE	LOCAL GOVERNMENT	COUNTY TOTAL	COUNTY SHARE/ CITY SHARE	LOCAL GOVERNMENT	COUNTY TOTAL	COUNTY SHARE/ CITY SHARE
ALACHUA	3,162,211	1,586,165	GILCHRIST	350,000	350,000	PALM BEACH	17,216,393	13,017,314
Gainesville		1,576,046	GLADES	350,000	350,000	Boca Raton		1,122,509
BAKER	357,226	357,226	GULF	350,000	350,000	Boynton Beach		921,077
BAY	2,176,471	1,729,642	HAMILTON	350,000	350,000	Delray Beach		798,841
Panama City		446,829	HARDEE	357,226	357,226	West Palm Beach		1,356,652
BRADFORD	364,452	364,452	HENDRY	480,417	480,417	PASCO	6,191,972	6,191,972
BREVARD	7,018,251	3,874,075	HERNANDO	2,241,715	2,241,715	PINELLAS	11,657,074	6,068,672
Cocoa		231,602	HIGHLANDS	1,241,453	1,241,453	Clearwater		1,388,358
Melbourne		986,766	HILLSBOROUGH	16,919,219	12,373,025	Largo		1,003,674
Palm Bay		1,355,224	Tampa		4,546,194	St. Petersburg		3,196,370
Titusville		570,584	HOLMES	350,000	350,000	POLK	8,098,208	6,312,553
BROWARD	22,790,234	4,090,847	INDIAN RIVER	1,828,575	1,828,575	Lakeland		1,270,609
Coconut Creek		699,660	JACKSON	603,608	603,608	Winter Haven		515,046
Coral Springs		1,545,178	JEFFERSON	350,000	350,000	PUTNAM	871,809	871,809
Davie		1,239,789	LAFAYETTE	350,000	350,000	ST. JOHNS	2,879,559	2,879,559
Deerfield Beach		943,516	LAKE	4,133,500	4,133,500	ST. LUCIE	3,633,369	880,002
Fort Lauderdale		2,194,700	LEE	8,591,114	5,437,316	Fort Pierce		520,662
Hollywood		1,789,033	Cape Coral		2,168,397	Port St. Lucie		2,232,705
Lauderhill		861,471	Fort Myers		985,401	SANTA ROSA	2,104,002	2,104,002
Margate		699,660	LEON	3,510,107	1,200,106	SARASOTA	5,010,500	4,340,596
Miramar		1,645,455	Tallahassee		2,310,001	Sarasota		669,904
Pembroke Pines		1,985,029	LEVY	502,165	502,165	SEMINOLE	5,568,579	5,568,579
Plantation		1,075,699	LIBERTY	350,000	350,000	SUMTER	1,509,653	1,509,653
Pompano Beach		1,326,392	MADISON	350,000	350,000	SUWANNEE	545,661	545,661
Sunrise		1,112,163	MANATEE	4,532,117	3,858,644	TAYLOR	350,000	350,000
Tamarac		777,147	Bradenton		673,473	UNION	350,000	350,000
Weston		804,495	MARION	4,256,691	3,534,331	VOLUSIA	6,380,406	4,490,529
CALHOUN	350,000	350,000	Ocala		722,360	Daytona Beach		796,275
CHARLOTTE	2,140,201	1,905,849	MARTIN	1,872,071	1,872,071	Deltona		1,093,602
Punta Gorda		234,352	MIAMI-DADE	21,218,124	13,658,106	WAKULLA	393,426	393,426
CITRUS	1,763,332	1,763,332	Hialeah		1,824,759	WALTON	806,565	806,565
CLAY	2,553,411	2,553,411	Miami		3,674,979	WASHINGTON	350,000	350,000
COLLIER	4,416,152	4,171,497	Miami Beach		706,564	TOTAL	240,812,675	240,812,675
Naples		244,655	Miami Gardens		867,821	Disaster Relief Holdback		5,000,000
COLUMBIA	835,539	835,539	North Miami		485,895	Compliance Monitoring		617,325
DE SOTO	436,921	436,921	MONROE	879,035	879,035	Catalyst		500,000
DIXIE	350,000	350,000	NASSAU	1,002,296	1,002,296	TOTAL ESTIMATED APPROPRIATION		246,930,000
DUVAL	11,446,821	11,446,821	OKALOOSA	2,386,654	2,135,817			
ESCAMBIA	3,836,325	3,176,477	Fort Walton Beach		250,837			
Pensacola		659,848	OKEECHOBEE	502,165	502,165			
FLAGLER	1,306,696	278,718	ORANGE	16,223,427	12,797,039			
Palm Coast		1,027,978	Orlando		3,426,388			
FRANKLIN	350,000	350,000	OSCEOLA	4,234,943	3,365,509			
GADSDEN	574,634	574,634	Kissimmee		869,434			

Projected SHIP based on 2019/2020
Governor's Recommended Budget /
Dec 2018 REC

(Less: \$5 million Disaster Relief holdback,
Monitoring, & Catalyst funding)

OUR VIEW: DeSantis budget a smart start

He's focusing on issues that are pressing needs for the state

Feb 4, 2019

Gov. Ron DeSantis is getting high marks for his first budget proposal, a record \$91.3 billion plan that includes more money for public education and a rollback in local school property taxes; funding for environmental cleanup in South Florida and beyond; money to boost recovery in storm-ravaged regions of the state and an honorable resolve to stop raiding trust funds intended to preserve environmentally sensitive land and promote affordable housing.

The governor and his staff know their work has only started: Every year, the governor makes spending recommendations to kick off the budgetary process, but the state Legislature holds the actual budget-writing authority. DeSantis' predecessor, Rick Scott, butted heads with lawmakers over economic development funding and other issues — and watched many of his priorities wither quickly.

DeSantis is taking a different tack. He's focusing on issues that most people would agree are pressing needs for the state. Among his initiatives:

- **Environmental protection.** The governor's early, intense focus on water projects has been heartening — not just for the tree-hugging set, but for the tourism officials and communities hurt by recent, massive algae blooms and red tide. DeSantis tagged \$625 million in environmental projects, much of which would be directed to projects around the Everglades and Lake Okeechobee. However, he continues a \$50 million appropriation for projects that help restore Florida's springs, which should be another high-priority area. And he recommends full funding for Florida Forever, a voter-approved land-preservation fund that, in the past, has been raided to fund other projects.
- **Mental health and substance abuse.** DeSantis proposes a \$30-million bump in the amount of money the state targets toward opioid abuse, to \$84.6 million — amping up the response to an epidemic that claims 17 lives a day in Florida. He also wants a new focus on mental health for children and youth, supported by a \$27.5 million increase in mental health spending and another \$10 million allocated through schools.
- **Education.** The spending recommendations for preK-12 include a healthy increase in per-pupil classroom funding, as well as additional money for security. He also wants to replace the state's flawed teacher-retention plan with a revamped, \$423 million effort to recruit and keep teachers and administrators —

with details coming later. And he recommends a responsible reduction in local school taxes, which the Legislature has used to shift the burden of public-school funding in the past. He also wants a boost in performance funding for universities and state colleges, without a tuition increase.

- **Economy.** Instead of flinging billions into incentives to lure companies to Florida (one of Scott's least-appreciated priorities) DeSantis proposes focusing on the workers who provide the base for Florida's service-based economy — starting with leaving \$338 million in the state's affordable-housing trust fund, which would break a decade-long practice of raiding it to fund other parts of the budget, and boosting transportation infrastructure.

It's not hard to see why these recommendations are being so well-received. DeSantis deserves credit for a budget that elevates smart policy over partisan politics. It's important to remember a few things, however.

A large amount of the praise stems from this fundamental dichotomy: Most people look at the budget one piece at a time. If there's funding directed toward their particular priorities, they're happy. But state leaders must consider it as a whole, along with the obvious, corresponding question — is there money to pay for it? There are warning signs that tighter times are coming.

State leaders must also keep in mind that many problems can't be solved just by hurling money at them. Lawmakers and the governor should work together to make sure spending is targeted wisely. So far, DeSantis seems to get it. But now the real work starts.