

JACKSONVILLE HOUSING FINANCE AUTHORITY



Jacksonville Housing Finance Authority Board of Directors Meeting

October 17, 2018

11:30 am

214 North Hogan Street, 8th Floor

- AGENDA -

Call Meeting to Order

Chair

Approval of Minutes of September 19, 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 12-31-18

C. Financial Advisor Memo

Mark Hendrickson

IV. ACTION ITEMS

A. Board Members Declare Conflicts, if any

Board

B. Consider Selection of Local Government

Mark Hendrickson

Area of Opportunity Funding and Backup Development

C. Consider Approval of 2019 Local Government

Mark Hendrickson

Contribution NOFA & Application

D. Income Averaging: FHFC System

Mark Hendrickson

E. Lofts at LaVilla: Term of JHFA Loan

Emerson Lotzia

V. NEW BUSINESS

A. Consider Adding Additional November Meeting Date

Mark Hendrickson

VI. OLD BUSINESS

A. Update on Single Family Program

Mark Hendrickson

B. Update on Lofts at Jefferson Closing

Mark Hendrickson

C. Update on Houston Street Manor

Laura Stagner &

Emerson Lotzia

D. Update on Existing Rental Properties

Mark Hendrickson

- Recent JHFA Activities/Developments

- Occupancy Report

VII. ADJOURN JHFA MEETING

Chair

JACKSONVILLE HOUSING FINANCE AUTHORITY



JACKSONVILLE HOUSING FINANCE AUTHORITY

Board of Directors Meeting

MINUTES

OF

REGULAR MEETING

September 24, 2018

September 24, 2018: JHFA Board Meeting

10:00 am

214 North Hogan Street, 8th Floor

BOARD MEETING:

Present at the meeting were:

BOARD MEMBERS

Spencer Cummings, Vice-Chair

Dee Bumbarger, Secretary

James Citrano, Member

Jane Scofield, Member

PROFESSIONAL STAFF:

Mark Hendrickson, The Hendrickson Company, Financial Advisor

Susan Leigh, 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

CITY STAFF:

Laura Stagner

Jane Bouda

Carla Ray

Dr. Johnny Gaffney, Mayor's Office

PUBLIC:

Steve Moore, Vestcor

Ryan Hoover, Vestcor

Chuck Shealy, LISC

Geoff Harlan, Blue Sky Communities

BOARD MEETING

Vice-Chairman Cummings called the meeting to order at 10:04 am, without a quorum, in workshop session. The quorum was established at 10:12 am, before action on the Minutes.

Public Comments

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

Staff Report and Financial Report

Ms. Stagner presented the JHFA financials and updated the Board on the procurement process for professional services (Investment Banker, Bond Counsel, Trustee, and Financial Advisor). She asked which Board members wished to be part of the scoring process, other than Chairman Gulliford, and Mr. Citrano asked to be part of the formal scoring process.

Minutes

Ms. Bumbarger moved, with a second by Ms. Scofield, that the **Board approve the minutes of the August 15, 2018 Board meeting**. The motion passed 4-0.

Board Member Conflicts

Mr. Citrano declared a conflict in conjunction with the proposed action on Lindsey Terrace.

2018 Bond Allocation

Mr. Hendrickson summarized the allocation process, and Ms. Bond-Collins explained a proposed Resolution that would approve a \$50 million inducement for single family—which would allow the JHFA to apply for bond allocation in 2019. After discussion, Ms. Scofield moved, with a second by Ms. Bumbarger, that the Board **approve the Single-Family Resolution presented by bond counsel**. The motion passed 4-0.

Single Family

Mr. Hendrickson updated the Board on the single-family program.

Multi-Family Updates

Mr. Hendrickson explained the proposed Multi-Family Bond NOFA, and the two related applications. He detailed the rationale for the short-version Bond-SAIL application. After discussion, Mr. Citrano moved, with a second by Ms. Scofield, that the Board **authorize the financial advisor, legal counsel, and staff to publish the 2019 Multi-Family Bond NOFA, Applications, and Multi-Family Handbook**. The motion passed 4-0.

Mr. Hendrickson summarized the background on the proposed four development Millennia Portfolio bond financing, including the credit underwriting process and report, the scope of rehabilitation, the benefit to the City and residents, and the timing. Ms. Bond-Collins explained a proposed Resolution that would give final approvals to this bond transaction. Dr. Gaffney offered assistance on future TEFRA approval actions by the City Council. After discussion, Ms. Bumbarger moved, with a second by Ms. Scofield, that the Board **adopt the Millennia Portfolio Bond Approval Resolution prepared by bond counsel**. The motion passed 4-0.

Existing Rental Properties

Ms. Bond-Collins explained the sale of the Lindsey Terrace development, noting that while the JHFA had an outstanding LURA on the property, the bonds had been paid off and the LURA would expire November 30. She noted that Board action was needed to facilitate the sale of the development prior to that date. After discussion, Ms. Scofield moved, with a second by Ms. Bumbarger, that the Board **adopt the Resolution approving termination and assignment of the Lindsey Terrace LURA**. The motion passed 3-0, with Mr. Citrano abstaining (form attached).

New Business

Mr. Hendrickson presented the background on the timing of the FHFC SAIL application, noting that the Board would need to change the date of the October meeting, or delegate to staff the ability to deem a bond application “complete” for FHFC application purposes. After discussion, as this item was not on the agenda (delegation), the Chair opened the floor for public comments, and none were given. Mr. Citrano moved, with a second by Ms. Scofield, that the **Board delegate to staff the authority to determine if a bond application was complete, and for staff and/or the Chairman to execute any letter or form needed for a SAIL application related to this issue**. The motion passed 4-0.

Mr. Lotzia and Ms. Stagner updated the Board on the delays in the Houston Street Manor development. Board members asked a series of questions related to communicating to FHFC the JHFA's continued support for the local preference system over a lottery, and how problems related to costs and construction completion could be avoided on future transactions.

Ms. Leigh announced that Jacksonville Beach would be the location for the 2019 Florida ALHFA Conference, to be held July 10-13, 2019. She urged Board members to reserve the dates so they would be able to attend.

Mr. Byers and Ms. Williams made a presentation on the work of the Urban Land Institute and the Florida Community Loan Fund on affordable housing.

Adjournment

Vice-Chairman Cummings adjourned the meeting at 11:10 AM.

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.
September 24, 2018		
Board directed staff to publish 2019 MF Bond NOFA, Applications, & MF Handbook	Mark	Done

THE HENDRICKSON COMPANY & COMMUNITY CONCEPTS GROUP

To: Board of Directors, Jacksonville Housing Finance Authority

From: Mark Hendrickson & Susan Leigh, Financial Advisors

Subject: October 17, 2018 JHFA Meeting

Date: October 8, 2018

I. 2018 Bond Allocation—Informational

1. The 2018 allocation is \$48,155,194, an increase of \$3,143,590 (7.0%) over 2017:

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2018	\$33,954,194	\$ 14,200,000	\$16,045,806	November 14, 2018
2017	\$50,000,000	\$156,500,000		December 31, 2020
2016		\$107,400,000		December 31, 2019
2015				December 31, 2018
TOTAL	\$83,954,194	\$278,100,000	\$16,045,806	

2. **Recommendation:** None.

II. 2013 Single Family Loan Program—Informational

1. The **current program guidelines:**
- 1st mortgage: 5.125 1% origination fee, FHA, VA, RD, 5.3.75% 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:

DPA AUTHORIZED		LOAN VOLUME	\$ 2,181,010
Date	Amount	Adjustments	
2012	\$ 250,000	FHFC	\$ 88,796
May-15	\$ 200,000	Repayments	\$ 65,000
Jun-15	\$ 400,000		\$ 153,796
Sep-17	\$ 703,000	NET VOLUME	\$ 2,027,214
Jun-18	\$ 250,000		
Jun-18	\$ 315,443		
TOTAL AUTHORIZED	\$ 2,118,443	AVAILABLE	\$ 91,229

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
\$138,721 443 loans -3 loans	\$132,688	\$47,245	37.0 47% female	2.3	SF Detached 93% Condo: 2% Townhouse: 6% Existing: 97% New: 3%	Black: 27% White: 39% Hispanic: 20% Mixed: 1% Asian: 8% Other: 5%	\$19,696,036 \$63,128.32 avg. 312 buyers

5. **Lender Originations:** Academy (123), SWBC (112), Prime (50), Bank of England (51), Fairway (49), Pacific Union (23), CMG (13), Network Funding (6), Open (5), DHI (4), Ameris Bank (3), Paramount (2), Resource Financial (1), & GSF (1).
6. **MCC's:** The HFA converted \$120 million of bond authority into \$30 million of MCC's. Tranche 1 (\$5.25 million) expired at the end of 2015 with \$1,109,274 not utilized. Tranche 2 (\$10.0 million) expired at the end of 2016, with \$9,668,903 not utilized. Tranche 3 (\$14.75 million) expires at the end of 2018. 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 5.00% to approximately 3.0%.
8. **MBS Sales:** The HFA has executed 118 sales, with net revenues of \$1,341,366 (net meaning after payments to RBC and counsel) coming to JHFA.

9. **Hedges & Exposure:** Hillsborough County has 15 hedges totaling \$21.05 million in place. With full delivery, the projected net revenues are estimated at \$480,426 (shared pro rata with counties based upon originations). The unhedged pipeline as of September 28 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 \$58.78 million. **310 of the 443 loans in the program have originated this year.**
11. **Recommendation:** None.

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

1. FHFC continued the LGAOF system for 2018-2019, with an FHFC application deadline of October 30.
2. JHFA established the funding priorities and authorized the publication of a NOFA, with a due date of September 28. Five applications were received.
3. Susan Leigh has recused herself from this item and has not participated in the deliberations of staff nor in the review or analysis of the applications. She has a developer client which submitted an application for the Jacksonville LGAOF.
4. **Recommendation:** See attached analysis for detailed recommendations.

IV. New Rental Financings—Action

1. **2019 Local Government Contribution Application and NOFA:** FHFC has set the application date for SAIL applications for November 27 and is requiring a local government contribution. The required contribution must have a net present value of \$75,000, which is most economically achieved with a \$115,000/0%/20-year loan (no payments, balloon of full loan amount). Attached is a proposed NOFA and Application, with a due date of November 9. This would also require a special JHFA meeting between November 9 and 27.
2. **Millennia Jacksonville** is scheduled to close in October 2018.
3. **The Waves:** is tentatively scheduled to close in March 2019.
4. **Desert Winds/Silver Creek:** Closing is scheduled for December, with credit underwriting and final approval on November JHFA agenda.
5. **Lofts at Jefferson:** The JHFA loan to this development closed October 3. The original mix of units was 10 units<33% AMI, 70 units< 60% AMI, and 18 units<140% AMI. The developer moved 4 units from 60% AMI to 33% AMI (part of agreement with FHFC). This achieves a higher public purpose for the JHFA financing.

6. **Recommendations: 2019 Local Government Contribution and NOFA:** (1) Authorize the Financial Advisor, legal counsel, and staff to publish the 2019 Local Government Contribution NOFA, and Application, and (2) Set date for special meeting to approve local contributions.

	The Waves	Desert Winds/Silver Creek
Developer/ Location	Jacksonville Housing Authority & Vestcor Jacksonville, FL	LEDIC Realty Management Montgomery, AL
Development Location	Nine scattered JHA public housing sites in Jacksonville Beach	300 Silver Creed Trace Arlington/Southside
City Council District	Bill Gulliford	Scott Wilson
Type	New Construction Garden	Acquisition & Rehabilitation Garden
Bond Request	\$17,750,000 \$139,764/unit	\$24,980,000 \$82,171/unit
TEFRA Hearing	2-28-18	7-26-18
TEFRA Approval	4-24-18	9-11-18
Preliminary Agreement Expiration	12-31-18	12-31-18
Credit Enhancement	Private Placement to SunTrust Bank	Cash Collateralized Short-Term Bonds FHA Permanent 1st
Credit Underwriter	First Housing	Seltzer
Closing Date	March 2019	December 2018
Units	127	304
Permanent 1st Mortgage Estimate	\$6,600,000	\$24,980,000
SAIL, ELI, HOME (FHFC)	\$7,600,000	\$0
JHFA Loan	\$115,000	\$0
Housing Credits	Wells Fargo Bank \$7,799,289 \$61,416/unit	PNC Real Estate \$9,939,553 \$32,696/unit
TDC	\$23,377,628	\$36,850,829
TDC per unit	\$184,076	\$121,220
Land Cost	\$0 \$1 per year lease	\$2,820,000 \$9,276/unit
Acquisition of Building	NA	\$15,980,000 \$52,566/unit
Hard Construction or Rehabilitation Cost	\$15,068,550 \$118,650/unit \$104.53/Sq. Ft.	\$9,061,026 \$29,806/unit \$33.74/Sq. Ft.
Set Aside Period	50 years	50 years
Set Aside Levels	90%<60% AMI 10%<33% AMI	98%<60% AMI 2% unrestricted

Current Name	Eureka Gardens I & II	Moncrief Village	Southside Apartments	Washington Heights
New Name	Valencia Way	Estuary Estates	Oyster Pointe	Charlesfort Commons
Revised New Name	Valencia Way	The Weldon	Palmetto Glen	Calloway Cove
Developer/Location	Millennia Housing Development Cleveland, OH	Millennia Housing Development Cleveland, OH	Millennia Housing Development Cleveland, OH	Millennia Housing Development Cleveland, OH
Street Address	1214 Labelle Street	1650 Moncrief Village North	2414 Westmont Street	4229 Moncrief Road W
City Council District	Garrett Dennis	Ju'Coby Pittman	Lori Boyer	Terrance Freeman
Type	Acquisition & Substantial Rehabilitation	Acquisition & Substantial Rehabilitation	Acquisition & Substantial Rehabilitation	Acquisition & Substantial Rehabilitation
Bond Request	\$81,600,000 \$106,250/unit			
TEFRA Hearing	9-19-17	9-19-17	9-19-17	9-19-17
TEFRA Approval	10-24-17	10-24-17	10-24-17	10-24-17
Preliminary Agreement Expiration	10-23-18	10-23-18	10-23-18	10-23-18
Credit Enhancement	R4 Private Placement	R4 Private Placement	R4 Private Placement	R4 Private Placement
Credit Underwriter	First Housing	First Housing	First Housing	First Housing
Closing Date	September 2018	September 2018	September 2018	September 2018
Units	400	94	74	200
Permanent 1st Mortgage Estimate	\$50,250,000-\$53,500,000 \$65,430 to \$69,661/unit			
SAIL/FHFC Funds	\$0	\$0	\$0	\$0
JHFA or City Loan	\$0	\$0	\$0	\$0
Housing Credits	R4 \$41,184,000 \$53,625/unit			
Total Development Cost	\$67,519,544	\$12,646,491	\$12,347,677	\$36,160,886
Original TDC	\$64,042,483	\$14,327,577	\$12,440,322	\$34,755,018
TDC Per Unit	\$168,799	\$134,537	\$166,861	\$180,804
Original TDC Per Unit	\$160,106	\$152,421	\$168,112	\$173,775
Land Cost	\$1,781,250 \$4,453/unit	\$310,147 \$3,299/unit	\$407,982 \$5,513/unit	\$1,600,000 \$8,000/unit
Acquisition of Building Cost	\$24,218,750 \$60,547/unit	\$3,789,853 \$40,318/unit	\$3,392,018 \$45,838/unit	\$13,700,000 \$68,500/unit
Hard Rehabilitation Cost	\$26,089,491 \$65,224/unit	\$5,200,760 \$55,327/unit	\$5,289,742 \$71,483/unit	\$12,102,829 \$60,514/unit
Set-Aside Period	50 years	50 years	50 years	50 years
Set-Aside Levels	100%<60% AMI	100%<60% AMI	100%<60% AMI	100%<60% AMI

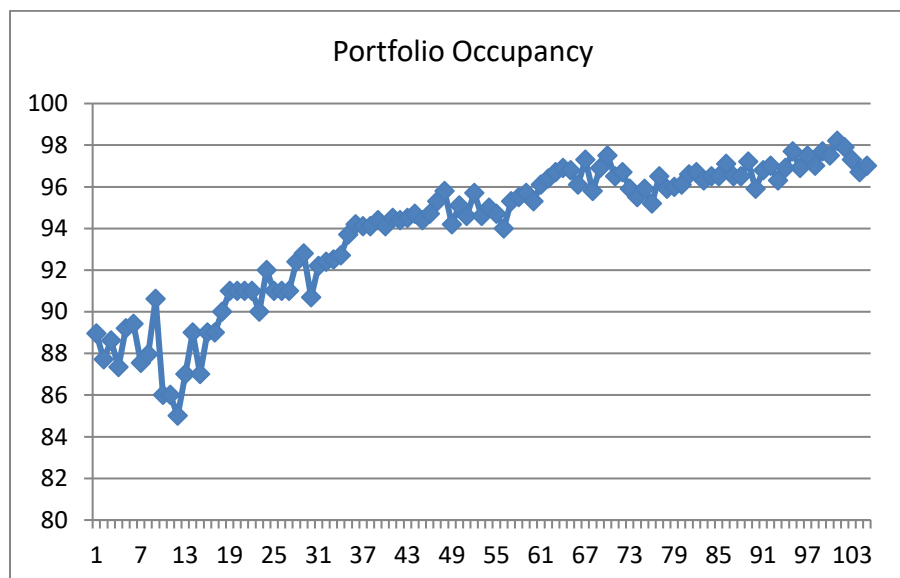
V. Update on Existing Rental Properties—Action

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

Development	Location	Building Type Demographic	Units	TDC	JHFA Loan
Peyton Ridge	1800 Corporate Square Blvd	3-Story Elevator NC Elderly	120	\$16,894,456	\$115,000
Caroline Oaks	North Main, east side just south of E. 43 rd Street	3-Story Elevator NC Elderly	82	\$14,146,603	\$5.6 million bonds \$2.2 million JHFA loan
Cathedral Terrace	701 N. Ocean St.	High Rise Rehab Elderly	240	\$25,604,057	\$12.5 million bonds \$1.0 million JHFA loan
Mt. Carmel Gardens	5746 Mt. Carmel Terrace	High Rise Rehab Elderly	207	\$21,631,853	\$9.75 million bonds
Mary Eaves	East of intersection of Myrtle Ave. N. & West 16 th St.	Mid-Rise NC Elderly	80	\$13,325,568	\$300,000
Lofts at LaVilla	906 West Bay Street	Mid-Rise NC Family	130	\$23,388,174	\$265,000
Lofts at LaVilla on Monroe	1000 West Monroe Street	Mid-Rise NC Family	108	\$20,962,615	\$303,750
Houston Street Manor	615 Houston Street	Mid-Rise NC Elderly	72	\$21,185,213	\$115,000
Timberwood Trace	12250 Atlantic Boulevard	Garden Rehab Family	224	\$31,238,140	\$16.0 million bonds
Oakwood Villa	8201 Kona Avenue	Garden Rehab Family	200	\$23,092,183	\$12.7 million bonds
Lofts at Jefferson Station	799 Water Street	Mid-Rise NC Family	98	\$20,943,699	\$225,750
Caroline Arms	6457 Fort Caroline Road	Garden Rehab Family	204	\$22,630,922	\$12.5 million bonds
TOTAL			1,765	\$255,343,483	\$69.05 million bonds \$4.525 million JHFA loans

2. **Occupancy:** The current portfolio occupancy using a weighted average is 97.0% (+0.3%).
3. **Houston Street Manor:** The completion of the property has fallen well behind schedule—so much so that the JHFA's loan commitment for funding has expired. Mr. Lotzia and Ms. Stagner will update the Board on the situation at the meeting.

4. **Income Averaging:** In the federal tax legislation that passed late last year, there were provisions that changed the income limits in the Housing Credit program. Before, only units below 60% of AMI could count as “set-aside” units, generating the tax credits. The new legislation allowed a limited number of units up to 89% of AMI to be counted as set-aside units, if they were offset by an increase in units at levels well below 60% of AMI. The term “income averaging” would be more accurate if it were “set-aside averaging”, as there is no averaging of actual resident incomes, but of the set-aside levels. In each state, the Housing Credit allocating agency has significant latitude as to whether income averaging will be implemented at all, and if so, with what restrictions. FHFC has recently (October 8) published its methodology for implementation of income averaging, which essentially allows some 80% AMI units in exchange for units at 30% AMI (methodology attached). Developers with recently closed deals have approached JHFA about utilizing income averaging. Rather than reinvent a complex system, and given that FHFC’s system seems reasonable from a public purpose perspective, it might be most efficient to simply overlay the FHFC system (if a development’s set-aside mix meets FHFC Income Averaging standards and is approved by FHFC, the JHFA would automatically grant approval). This could be done globally, rather than having to take specific action on each development.
5. **Lofts at LaVilla:** The initial JHFA loan commitment was for a \$265,000 loan, 0% interest, no amortization, balloon in 20 years. The City Ordinance governing JHFA requires this type of subordinate financing to be co-terminus with the first mortgage. As the property is moving to the permanent loan phase, the first mortgage runs until 2030. This would require the JHFA loan term to be shortened to the same date.
6. **Recommendations:** (1) Approve Income Averaging for JHFA financed properties receiving federal Housing Credits, subject to the Income Averaging being approved by FHFC, and (2) Approve change of loan term for Lofts at LaVilla to be co-terminus with permanent 1st mortgage.



VI. 2019 Legislative Session

1. The 2019 legislative session begins in March. At this point, it is likely that the Republicans will keep the majority in both the Senate and House; therefore, the new Senate President will be Bill Galvano (Bradenton) and the new House Speaker will be Jose Oliva (Miami). Senator Galvano has been a long-time supporter of housing funding.
2. The latest (August) revenue estimate for doc stamp distributions into the Housing Trust Funds for FY 19-20 is \$328.2 million (\$229.99 SHIP and \$98.21 FHFC programs/SAIL). The estimated impact of appropriating all available funds to housing programs:

Program	SAIL	SHIP	Combined Totals
Funding	\$98,210,000	\$229,990,000	\$328,200,000
TDC Produced	\$499,986,951	\$1,238,692,868	\$1,738,679,820
# of Units	2,238.0	10,055.8	12,293.8
Leveraging other \$	\$401,776,951	\$1,008,702,868	\$1,410,479,820
Jobs Created	7,411.88	21,340.72	28,752.60
Economic Impact	\$1,075,712,139	\$3,052,457,405	\$4,128,169,544

3. We have been working with both candidates for Governor on housing. Andrew Gillum has pledged to veto any sweep of the housing trust funds. Ron DiSantis expressed general support for using trust funds for their intended purposes.
4. SEE contribution letters have been sent to all HFA's and other SEE supporters. Funding level pledges have not been received from several HFA's.
5. The lobbying team has been engaged and will again be led by Ken Pruitt of The P5 Group. Becker Poliakoff and Sunrise Consulting will also be utilized, as will Bascom Communications (PR and editorials) and LAT Creative (website and materials). The estimated cost of the effort is \$200,000.
6. Senator Kathleen Passidomo (R-Naples) also intends to file her bill to prohibit sweeps of the trust funds. 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 Rep. Holly Raschein (R-Key West) to file the House companion.
7. We have also been asked by various campaigns for Governor and legislative seats to develop an analysis of the cost of sweeps—lost housing and economic impact—as well as the five-year impact of fully funding housing. Those analyses are attached. In summary:

Five Year Impact of Full Funding

- \$1.789 billion appropriated for housing
- 67,012 units built, rehabilitated or sold
- 156,728 jobs created
- \$22.5 billion total economic impact

Negative Impact of Sweeps

- \$2.19 billion has been swept from the housing trust funds to general revenue
- 81,566 units have been lost
- 191,512 jobs have been lost
- \$27.5 billion of economic impact lost

8. **Recommendations:** Meet with your candidates running for office prior to the election to solicit their support for using all housing trust funds for housing programs and to co-sponsor Senator Passidomo or Representative Raschein's bills (once filed). It is important to tell the story of how Florida's housing programs work—this isn't "throwing money at a problem", it is funding programs that have proven over 25 years that they work and attract massive private sector investment in affordable housing.

ANALYSIS OF APPLICATIONS

LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING

1. Summary of Applications

The 2019 NOFA had a September 28, 2018 due date. Five applications were received with correct fees. A summary of the proposed developments:

NAME LOCATION Council District	DEVELOPER /CONTACT	UNITS	DEMOGRAPHIC & DESIGN	TDC COST PER UNIT	JHFA LOAN REQUEST	Hard Cost/Unit
Ashley Square 127 E. Ashley St. 116 E. Beaver St. District 7- Reggie Gaffney	Blue Sky Communities (70%) & Aging True (30%) Shawn Wilson	120	Elderly Mid-Rise 6-Story with Elevator & Parking Deck (1 building) New Construction	\$23,683,468 \$197,362/unit	\$625,750	\$133,166 68 % of TDC
Lofts at Brooklyn Spruce Street SE of intersection of Spruce & Jackson District 7 Reggie Gaffney	Vestcor Ryan Hoover	133	Family Mid-Rise 5-Story with Elevator & Parking Deck Retail on 1 st floor (1 building) New Construction	\$28,976,226 \$217,866/unit	\$0	\$152,941 70% of TDC
Lofts at Cathedral E. Duval Street, NW of intersection of E. Duval & N. Liberty Street District 7 Reggie Gaffney	Vestcor Ryan Hoover	100	Family Mid-Rise 5-Story with Elevator & Parking Deck New Construction	\$22,005,000 \$220,050/unit	\$625,750	\$141,750 64% of TDC
Molly Crossing 3036 Philips Highway District 5 Lori Boyer	Vestcor Ryan Hoover	100	Elderly Mid-Rise 4-Story with Elevator & Outdoor parking (1 building) New Construction	\$18,008,539 \$180,085/unit	\$567,500	\$115,500 64% of TDC
Parkview Commons 901 Main Street North District 7 Reggie Gaffney	Southport Brienne Hefner	122	Family Mid-Rise 5-Story with Elevator & Parking Deck; (1 building) New Construction	\$25,504,676 \$200,858/unit	\$625,750	\$134,016 67% of TDC

2. Threshold Criteria & Analysis: All Applicants meet threshold requirements.

Development Applicant	Project must be located within Duval County	Evidence of ownership or other legal control of site	Set-aside of rental units equal to or greater than the standards for LIHTC or applicable FHFC program	Evidence of land use and zoning authorizing the use of the of the property for multifamily residential uses
Ashley Square Ashley Square Associates, LLC	Yes 127 E. Ashley St. 116 E. Beaver St West side of Newman, from Ashley to Beaver	Yes Site control via contract for purchase and sale Title Commitment	Exceeds 15%<30% AMI 70%<60% AMI 15%<80% AMI Perpetuity	Yes CRO Downtown Overlay District FHFC Zoning Form executed by City
Lofts at Brooklyn Lofts at Brooklyn, Ltd.	Yes Spruce Street SE of intersection of Spruce & Jackson	Yes Site control via Contract for Purchase & Sale Title Commitment	Exceeds 15.0%<30% AMI 23.3%<60% AMI 21.8%<80% AMI 39.8%<140% AMI Perpetuity	Yes RMD-C Downtown Overlay in CBD FHFC Zoning Form executed by City
Lofts at Cathedral	Yes E. Duval Street, NW of intersection of E. Duval & N. Liberty Street	Yes Site control via Contract for Purchase & Sale Title Commitment	Exceeds 15%<30% AMI 63%<60% AMI 22%<80% AMI Perpetuity	Yes CRO Downtown Overlay in CBD FHFC Zoning Form executed by City
Molly Crossing Molly Crossing, Ltd.	Yes 3036 Philips Highway	Yes Site control via Contract for Purchase & Sale Title Commitment	Exceeds 10%<33% AMI 90%<60% AMI Perpetuity	Yes CCG-2 FHFC Zoning Form executed by City
Parkview Commons SP View LLC	Yes 901 Main Street North.	Yes Site control via Contract for Purchase & Sale Title Commitment	Exceeds 15.6%<33% AMI 84.4%<60% AMI Perpetuity	Yes PUD/HDR Letter from City & Relevant Ordinances

Development	30% AMI	33% AMI	60% AMI	80% AMI	140% AMI
Ashley Square	18	0	84	18	0
Lofts at Brooklyn	20	0	31	29	53
Lofts at Cathedral	15	0	63	22	0
Molly Crossing	0	10	90	0	0
Parkview Commons	0	19	103	0	0

3. Summary of Loan Requests:

DEVELOPMENT	LOAN REQUEST	LOAN TERM	NPV COST	LOAN RATE	COMMENTS
Ashley Square	\$625,750	10 years No annual payments Balloon year 10	\$239,006 \$1,992/unit	0%	Amount required for mid-rise concrete by FHFC RFA 2018-112
Lofts at Brooklyn	\$0	NA	\$0 \$0/unit	NA	Amount required for mid-rise concrete building by FHFC RFA 2018-112 is \$625,750. Entire amount provided by Downtown Investment Authority
Lofts at Cathedral	\$625,750	15 years 15-year amortization Hard Pay	\$190,272 \$1,903/unit	1%	Amount required for mid-rise concrete by FHFC RFA 2018-112
Molly Crossing	\$567,500	15 years 15-year amortization Hard Pay	\$172,560 \$1,726/unit	1%	Amount required for mid-rise wood building by FHFC RFA 2018-112
Parkview Commons	\$625,750	15 years 15-year amortization Hard Pay	\$184,773 \$1,514/unit	1%	Amount required for mid-rise concrete building by FHFC RFA 2018-112

Note: Parkview Commons applying for \$500,000 in HOME funds from City and proposes to reduce the JHFA loan on a dollar for dollar basis if those funds are received.

4. Project Selection Criteria

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

Those in **RED** are from JHFA Board

Project feasibility as determined by:

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

- The following shall receive emphasis in scoring:
 - Existing projects with either expiring Section 8 rental assistance contracts, or
 - The preservation of projects that have expiring affordable housing land use restrictions.
- **The JHFA established the following funding priorities for Applicants applying for the Local Government Area of Opportunity Funding:**
 - ✓ **Location within the boundaries of the Jacksonville City Limits (Pre-Consolidation, 1968)**
 - ✓ **FHFC category of “Family” demographic**
 - ✓ **Maximum Economic Impact**
 - ✓ **Developments which provide a lift to the neighborhood, and could lead to additional revitalization and/or neighborhood improvement**
 - ✓ **Projects that result in the adaptive reuse or redevelopment of existing structures or properties**
 - ✓ **Proximity to public transportation**
 - ✓ **Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level, and leveraging of JHFA funds with other funds to achieve greater impact on the community/neighborhood**
 - ✓ **Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term.**
 - ✓ **Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA**

5. Analysis of Developments Using Project Selection Criteria:

CRITERIA	APPLICATIONS
Development, construction & management experience	All Applicants have extensive experience
Financial feasibility to complete and operate the development	All deals appear economically feasible
Applicant's performance and/or compliance on any prior loans or contracts with JHFA or the City	All have successful bond and JHFA loans outstanding
Social services and assistance offered to residents (job training, computer training, home purchase assistance, health-related support, and others)	<p>All will have to meet FHFC standards.</p> <p>Ashley Square providing extensive services in conjunction with co-owner Aging True, including wellness clinic, free lunch three days/week, service coordinators, transportation to shopping, medical & events, financial planning & health nutrition classes, various resident activities, resident assurance check-in program, and computer training.</p> <p>Lofts at Brooklyn and Lofts at Cathedral provide literacy training, employment assistance, homeownership opportunity program, and quarterly resident functions.</p> <p>Molly Crossing provided computer training, daily activities, and resident assurance check-in</p> <p>Parkview Commons provides literacy training, employment assistance, and homeownership opportunity program.</p> <p>All provide list of amenities and programs</p>
Temporary or permanent displacement of existing tenants (negative factor)	None
Priority for developments with expiring Section 8 contracts or affordable housing land use restriction agreements	None
Location within the boundaries of the Jacksonville City Limits (Pre-Consolidation 1968)	All located within this area
Family Demographic	Ashley Square and Molly Crossing are elderly developments

CRITERIA	APPLICATIONS
Maximum Economic Impact	<p>Direct economic impact from construction: Ashley Square: \$16.0 million Lofts at Brooklyn: \$20.3 million Lofts at Cathedral: \$14.2 million Molly Crossing: \$11.6 million Parkview Commons: \$16.3 million</p> <p>Total economic impact (using FHFC methodology) Ashley Square: \$50.9 million Lofts at Brooklyn: \$67.3 million Lofts at Cathedral: \$47.3 million Molly Crossing: \$38.7 million Parkview Commons: \$54.8 million</p> <p>Jobs Created (using FHFC methodology) Ashley Square: 351 Lofts at Brooklyn: 430 Lofts at Cathedral: 326 Molly Crossing: 267 Parkview Commons: 378</p> <p>Property Tax Estimates: Ashley Square: \$80,000/year Lofts at Brooklyn: \$120,000/year Lofts at Cathedral: \$90,000/year Molly Crossing: \$60,000/year Parkview Commons: \$90,000/year</p> <p>Other: Lofts at Brooklyn: will include up to 1,500 square feet for commercial/retail</p>
Developments which provide neighborhood lift & could lead to additional revitalization	<p>All five deals will provide neighborhood lift & could lead to additional revitalization.</p> <p>EACH APPLICANT GAVE A DETAILED DESCRIPTION OF HOW THEIR DEAL WOULD MEET THIS CRITERIA. PLEASE READ THE SECTION OF EACH APPLICATION RELATED TO THIS ISSUE. THAT WOULD BE EXHIBITS 2 & 3 ON BOTH LOFTS AND THE MOLLY CROSSING APPS, EXHIBITS 1, 2 & 6 ON THE ASHLEY SQUARE APP, AND EXHIBIT 2 OF THE PARKVIEW COMMONS APP.</p> <p>Ashley Square would replace a parking lot with a new affordable elderly facility in the Cathedral District</p>

	<p>Lofts at Brooklyn would provide a mixed income (40% market) new family development in the gentrifying Brooklyn neighborhood (vacant land).</p> <p>Lofts at Cathedral would provide affordable new family housing in the Cathedral District.</p> <p>Molly Crossing would provide affordable new elderly housing in the East San Marco Area</p> <p>Parkview Commons would provide affordable new rental housing on the site of the now demolished Park View Inn, removing a structurally unsafe parking garage. The land is part of an environmental cleanup/Brownfield between the City, Florida DEP, and landowners in the area.</p>
CRITERIA	APPLICATIONS
Developments that result in the adaptive reuse or redevelopment of existing structures or properties	No existing building is part of the proposed residential developments. See above for descriptions of previous property uses.
Proximity to Public Transportation	<p>All developments located near existing bus lines</p> <p>Ashley Square has 7-route bus stop in front of property, 0.4 miles to Skyway</p> <p>Lofts at Brooklyn is 0.1 miles from 3-route bus stop, 0.5 miles from Skyway</p> <p>Lofts at Cathedral 0.2 miles from 7-route bus stop, 0.5 miles to Skyway</p> <p>Molly Crossing is adjacent to two 1-stop bus routes, and within 0.75 miles of another 3 lines. And 1.6 miles south of the Skyway</p> <p>Parkview Commons 0.2 miles from Rosa Park Transit Station (18 bus lines and Skyway)</p>
Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level	<p>Lofts at Brooklyn has DIA commitment for full \$625,750</p> <p>Parkview Commons applying for \$500,000 HOME Loan from City</p>
Leveraging of JHFA funds with other funds to provide greater impact on neighborhood & community	Lofts at Brooklyn awarded REV Grant from DIA, with maximum value of \$3.38 million (rebates portion of property tax increase produced as result of the development)

CRITERIA	APPLICATIONS
Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term	<p>All meet FHFC requirements</p> <p>See Summary of Loan Requests for details on each loan amount/term/interest rate</p> <p>The following is an NPV of the “cost” to JHFA for each proposed loan</p> <p>Ashley Square: \$1,992/unit Lofts at Brooklyn: \$0/unit Lofts at Cathedral: \$1,903/unit Molly Crossing: \$1,726/unit Parkview Commons: \$1,514/unit</p>
Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA	All agree to perpetuity.

6. **Back-Up Development**

- If the JHFA only selects the “preference” development, and it fails threshold in the FHFC scoring due to an error by the applicant, Jacksonville would not receive any funding.
- It is prudent to pick at least one back-up development to increase the probability that Jacksonville will receive at least one development.
- The FHFC system gives automatic proximity points to the preference development. Other developments are scored based upon proximity to services and to other FHFC developments that have been funded, but not yet built/stabilized. If a development is within 0.5 of one of these developments, it will fail threshold.
- As a result of the Lofts at LaVilla, Lofts at LaVilla on Monroe, and Lofts at Jefferson deals being on the proximity list, no family deal (other than the preference deal) may be located within 0.5 miles of any of those deals and meet FHFC threshold requirements.
- Lofts at Brooklyn is within the 0.5-mile radius and cannot serve as a back-up application.
- Selecting a back-up development can be accomplished by selecting any applicant other than Lofts at Brooklyn as the back-up.

7. **Development Analysis:**

- **Ashley Square:**
 - ✓ Partnership with Aging True, non-profit owner of several elderly developments, and provider of services for seniors
 - ✓ Most expensive NPV cost of JHFA loan, but all paid back in 10 years (earliest)—note: the higher NPV is due to the loan being 0% with no payments until the balloon
 - ✓ Extensive services for the elderly, including transportation
 - ✓ New development in Cathedral District
 - ✓ Clear description of how development meets goals of local plans
 - ✓ Excellent proximity to bus stop (in front of property)
- **Lofts at Brooklyn:**
 - ✓ Least cost to the JHFA, due to Downtown Investment Authority contribution of 100% of total required amount
 - ✓ Ability to build affordable rental in Brooklyn, prior to complete gentrification
 - ✓ Adequate services for residents
 - ✓ Least amount of units that are set-aside for persons below 60% AMI, due to 40% of units at market rate (140% AMI)
 - ✓ Most expensive development, therefore largest economic impact
 - ✓ Includes commercial space
 - ✓ Located 0.1 miles from a 3-line bus stop
 - ✓ Clear description of how development meets goals of local plans
 - ✓ Also has REV Grant from DIA (value up to \$3.38 million in property tax relief)
- **Lofts at Cathedral**
 - ✓ Ability to provide redevelopment of Cathedral District with non-elderly housing—enhancing ability for neighborhood viability
 - ✓ Next to highest NPV cost of JHFA loan
 - ✓ Adequate services for residents
 - ✓ Located near bus stop
 - ✓ Clear description of how development meets goals of local plans
- **Molly Crossing**
 - ✓ New elderly development in East San Marcos area
 - ✓ Adequate resident services, but not at level of Ashley Square
 - ✓ Excellent proximity to bus stop (adjacent to property)
 - ✓ Clear description of how development would improve neighborhood
- **Parkview Commons**
 - ✓ 2nd lowest NPV cost of JHFA loan
 - ✓ New development in downtown, near Springfield
 - ✓ Culmination of brownfield/redevelopment activities of City
 - ✓ Adequate resident services
 - ✓ Most affordable units of the five applicants
 - ✓ 2nd highest economic impact
 - ✓ Clear description of how development meets goals of local plans
 - ✓ Best proximity to public transportation, with Rosa Parks Transit Center (18 bus lines and the Skyway) within two blocks
 - ✓ Applying for \$500,000 of HOME funds from City to offset JHFA loan if awarded

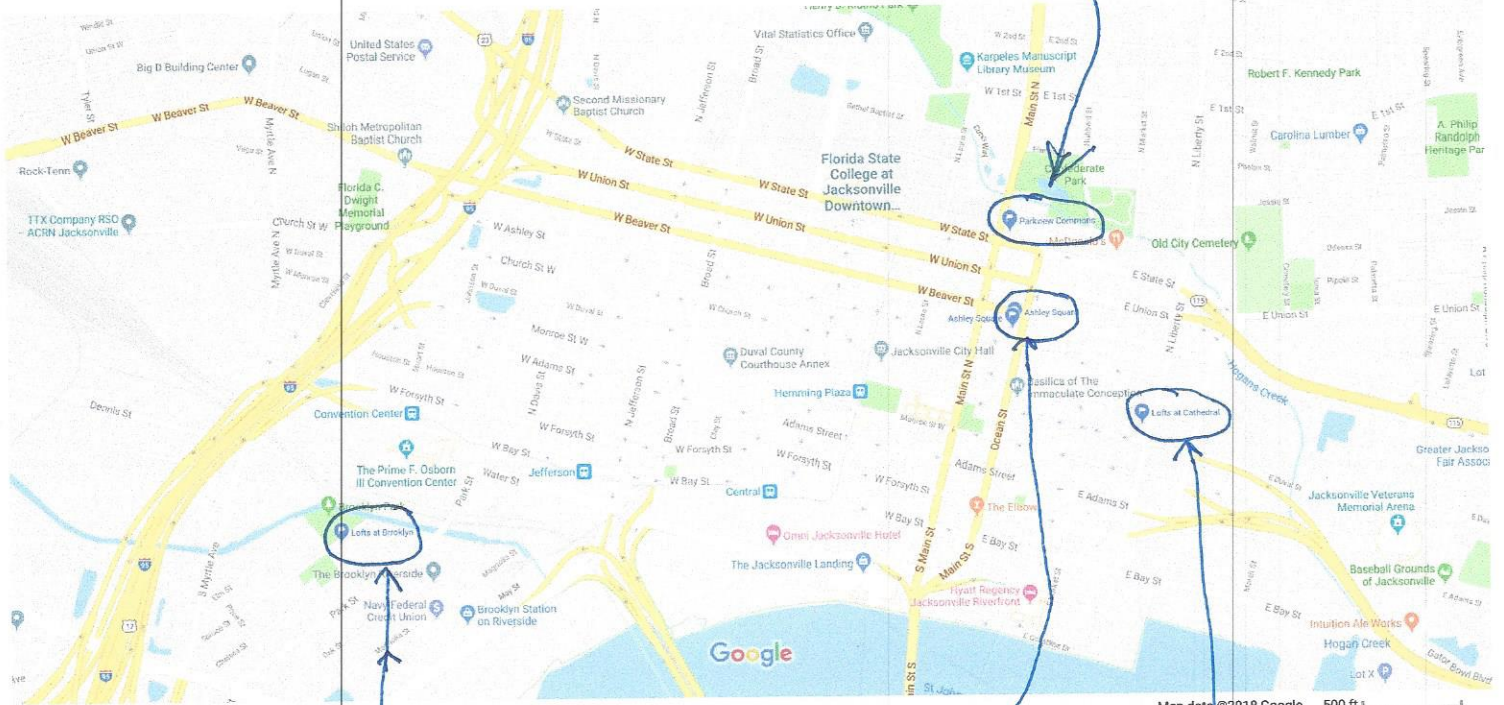
8. Recommendations:

- Select one application for funding level that will allow the applicant to receive the Local Government Area of Opportunity Funding points in FHFC scoring under RFA 2018-112
- Establish term of loan and amortization, if any
- All loan commitment and loans governed by Ordinance 2014-185-E.
- Authorize the Chairman to sign loan commitment letter, and authorize Chair or other Board member to execute loan documents, including subordinations and extension of loan commitment up to 30 days after senior loan closing date;
- Request the Mayor or other official permitted by FHFC to sign the FHFC form required to verify the local government contribution.
- Loan to be evidenced by Promissory Note and Mortgage, with anticipated second mortgage position (subject to all loan documents and due diligence necessary to evidence and complete the transaction). Loan documents to include a Land Use Restriction Agreement with all Applicant commitment (City programs, length of set-aside, income restrictions).
- Loan commitment expiration date of December 31, 2019.
- Select one development to receive a loan commitment at the level (\$115,000/0%/20 years/interest only with balloon) which would meet FHFC proximity threshold scoring to serve as a backup.

9. FHFC Required Funding Levels

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

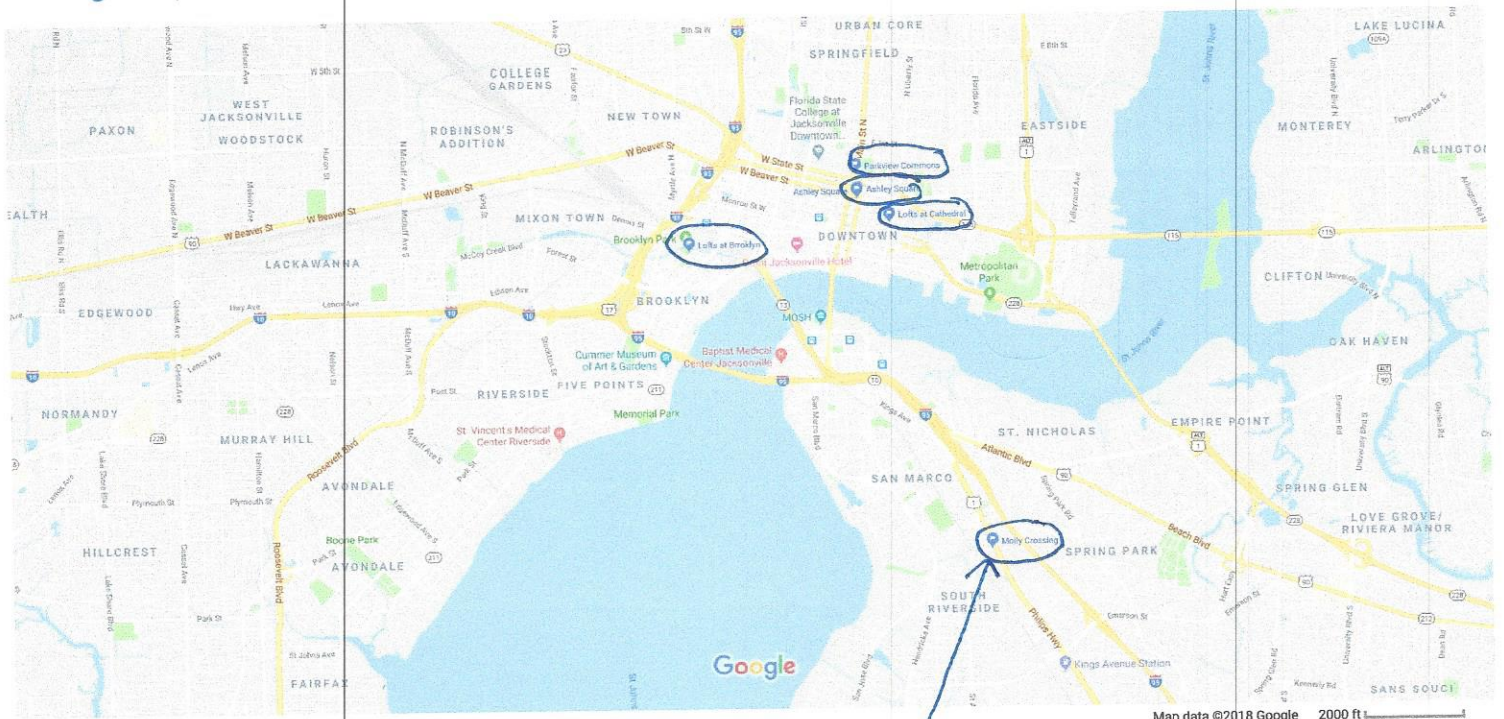
PARKVIEW Commons



Lofts at
Brooklyn

Ashley
Square

Lofts at
Cathedral



Molly Crosskey



Lofts at
Cathedral

September 19, 2018
Applications Due: November 9, 2018
JACKSONVILLE HOUSING FINANCE AUTHORITY
**NOTICE OF FUND AVAILABILITY/
REQUEST FOR APPLICATIONS/
2019 ALLOCATION**
MULTIFAMILY MORTGAGE REVENUE BONDS

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

All applications submitted will be reviewed by the Authority's Financial Advisor, who will make recommendations to the Board. The Board will decide if the Applicant will be invited into credit underwriting. Submission of an application does not entitle the Applicant to bond financing, even if sufficient bond allocation remains to fund the development.

The estimated amount of 2018 tax-exempt bond authority that is available for multi-family development is approximately \$40,000,000.

The Authority will not consider issuing obligations to provide financing for any development unless the applicant has satisfied the general requirements set forth in its guidelines, submits a timely, complete, and acceptable application, and complies with all of the procedures and requirements contained within the Authority's Application Procedures and Program Guidelines Handbook. Copies of the Application and of the Handbook are available at the bottom of this page.

The Authority will not consider issuing obligations to provide financing for any development unless the applicant has satisfied the general requirements set forth in these guidelines, submits a timely, complete, and acceptable application, and complies with all of the procedures and requirements contained within the Authority's Application Procedures and Program Guidelines Handbook. Copies of the Application and of the Handbook are available at the Authority's website (<http://www.coj.net/departments/independent-boards-and-agencies/jacksonville-housing-finance-authority/multifamily-programs.aspx>). The Authority reserves the right to impose additional requirements on any particular development. Compliance with these guidelines does not and shall

not create any right by an applicant to a commitment or assurance that the Authority will provide the requested financing.

The Authority provides below market rate loans of bond proceeds for construction, rehabilitation and permanent financing of multifamily housing developments. The funds are made available through the issuance by the Authority of revenue bonds (the "Bonds"). If the Authority requires credit enhancement on the Bonds, the borrower must arrange to secure or collateralize the Bonds. The Bonds are secured solely by the credit enhancement provided by the borrower and/or by revenues from the development. In no event shall public revenues ever secure the bonds. The Authority is merely a conduit and shall not be liable on any Bonds. From time to time the Authority may approve other financing structures to the extent permitted by law.

The multifamily program has been undertaken by the Authority in order to alleviate the shortage of affordable housing available to persons and families in Jacksonville; to generate affordable multifamily rental capital for investment in Jacksonville, to stimulate economic development; and to create jobs. Applicants are strongly encouraged to consider participating in Jacksonville's Program.

Preference may be given to any application that is currently in the multi-family review process, but not does currently have allocation.

BONDS WITH SAIL APPLICATION

The 2019 Bonds with SAIL application will be available August 25, 2018. This application is only available to applicants for HFA bond financing that are also seeking SAIL or other gap financing funds from FHFC.

BONDS WITHOUT SAIL APPLICATION

The 2019 Multi-Family Application (applicants seeking bond financing who are not also seeking SAIL) will also be available August 25, 2018.

The 2019 Multi-Family Application is available online and either application is **due no later than 5:00 PM, Eastern Standard Time, November 9, 2018**. For more information, contact Mark Hendrickson (contact information below). Information on fees that are due with the application and where applications are to be submitted is included within the Application and the Application Procedures and Program Guidelines Handbook. **If bond allocation is available after the application deadline, the Authority will continue to accept applications, which will be reviewed on a first-come first-evaluated basis.**

APPLICATION FEES

Please see each application for the fees associated with submission.

Firms participating with the Jacksonville Housing Finance Authority:

Investment Banking Firms acting as senior managing underwriter and remarketing agent for the issuance of the Authority's multifamily housing revenue bonds:

RBC Capital Markets

100 2nd Avenue S. Suite 800

St. Petersburg, FL 33701

Telephone: (727) 895-8892

Contact: Helen Feinberg helen.feinberg@rbccm.com

Financial Advisor:

The Hendrickson Company and The Community Concepts Group

1404 Alban Avenue

Tallahassee, Florida 32301

850.671.5601

Contact: Mark Hendrickson mark@thehendricksoncompany.com

Or Susan Leigh at 850.656.2808 sleigh@comcast.net

JACKSONVILLE HOUSING FINANCE AUTHORITY

2019 Bonds with SAIL & Local Contribution Application

THIS APPLICATION IS SOLELY FOR THE USE OF APPLICANTS SEEKING BOND FINANCING FROM THE JACKSONVILLE HOUSING FINANCE AUTHORITY WHO ARE ALSO SEEKING SAIL FUNDING VIA FHFC RFA 2018-116 OR OTHER GAP FINANCING VIA AN FHFC RFA

THIS APPLICATION IS ALSO FOR ANY REQUIRED LOCAL GOVERNMENT CONTRIBUTION WITHIN FHFC RFA 2018-116 OR OTHER GAP FINANCING VIA AN FHFC RFA

SUBMIT:

SUBMIT ORIGINAL (WITH \$500 BOND APPLICATION FEE & \$5,000 LOCAL CONTRIBUTION FEE) AND 6 COPIES TO:

Laura Stagner
Director of Finance
Housing and Community Development
214 N. Hogan St., 7th Floor
Jacksonville, Florida 32202
Contact: Laura Stagner, 904.255.8279 lstagner@coj.net

**One (1) hard copy, a PDF of the entire application & Review Fee of \$3,000
(Check made payable to the Hendrickson Company) to:**

Mark Hendrickson
1404 Alban Avenue
Tallahassee, Florida 32301
Contact: Mark Hendrickson, 850.671.5601 mark@thehendricksoncompany.com

REVISED: October 17, 2018

GENERAL INFORMATION

NOTE: BY COMPLETING THIS APPLICATION, THE APPLICANT CERTIFIES AND AGREES THAT IT WILL COMPLY WITH ALL REQUIREMENTS OF THE JACKSONVILLE HFA MULTI-FAMILY HANDBOOK AND WILL SUBMIT ANY ADDITIONAL REQUIRED DOCUMENTATION AND FEES RELATED TO THAT COMPLIANCE

Please indicate if Applicant will use these funds in conjunction with (check one)

☐ FHFC SAIL RFA 2018-116

☐ OTHER FHFC RFA—IDENTIFY _____

JACKSONVILLE HOUSING FINANCE AUTHORITY BOND REQUEST:

BOND AMOUNT REQUESTED: _____

I. DEVELOPMENT SUMMARY AND TIMELINE

- A. Provide a short narrative description of the Development, including all resident programs, amenities, unit features and scope of work to be performed. If more space is needed, provide the information as **Exhibit 1**. MAJOR DEVELOPMENT AMENITIES WILL BE INCLUDED IN THE LAND USE RESTRICTION AGREEMENT. Also attach as **Exhibit 2** a timeline for the completion of the development which includes all key dates, including anticipated timing of permits and credit underwriting, Housing Credit closing date, completion of construction, rent up, and stabilization.

B. SUMMARY OF PROPOSED DEVELOPMENT

Name of Development	
Location of Development, by street address, or if no address, by mileage from nearest cross streets. Also, attach a map showing the development's location. The Project <u>must</u> be located in Duval County (PROJECT THRESHOLD CRITERIA)	
Developer/Location (name of controlling company, not of LP or LLC).	
Contact person for application, including name, email, and phone numbers	
JHFA Bond Amount Requested	
JHFA Local Contribution Amount Requested	
Development Construction Type Garden, Mid-Rise, High-Rise, Other (explain)	
New Construction or Rehabilitation Concrete, Wood or other (explain)	
Development Demographic Family, Elderly or Other (identify)	
Number of Units, by Bedrooms	
Total Development Cost	
Cost per unit	
Land Cost	
Acquisition of Building Cost if applicable	
Hard Rehab Cost or Construction Cost	
General Contractor	
Set Aside Period (50 year minimum)	
Set Aside Levels (PROJECT THRESHOLD CRITERIA)	
Current Zoning (PROJECT THRESHOLD CRITERIA)	
Evidence of Site Control (PROJECT THRESHOLD CRITERIA)	

II. APPLICANT INFORMATION

A. Applicant Name: _____

Must be a legally formed entity (i.e., limited partnership, corporation, etc.) qualified to do business in the State of Florida at the time of submission of Application.

B. If partnership, name of general partner(s): _____

If corporation, name and title of executive officer: _____

Address: _____

Telephone: _____ Facsimile: _____

III. PROPOSED PROJECT FINANCING

A. Proposed Finance Summary: Please provide a permanent loan period detailed sources and uses that is in a format acceptable to FHFC as part of the upcoming SAIL RFA process. Attach as **Exhibit 3**.

IV. ABILITY TO PROCEED

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Development.

A. Site Control (PROJECT THRESHOLD CRITERIA)

Site Control must be demonstrated by the APPLICANT, in a manner consistent with the requirements of FHFC RFA 2018-116:

___ Eligible Contract

___ Deed or Certificate of Title

___ Lease

Provide evidence of Site Control and attach as **Exhibit 4**.

B. Zoning and Land Development Regulations (PROJECT THRESHOLD CRITERIA)

1. a. Is the site appropriately zoned for the proposed Development: No ____ Yes ____
- b. Indicate zoning designation (s) _____
- c. Current zoning permits ____ units per acre, or ____ for the site (PUD).
- d. Total Number of Units in Development:

Note: Provision of the zoning form from FHFC RFA 2018-116 will meet this requirement. Provide evidence that the proposed use is permitted and attach as **Exhibit 5**.

V. SELF-SCORING OF FHFC SAIL APPLICATION INCLUDING PROXIMITY TO PUBLIC TRANSPORTATION

Provide the score expected to be received on the application for SAIL, including point score and all tiebreakers, assuming the Applicant receives the points for the Local Government Area of Opportunity Funding Attach your response as **Exhibit 6**. BE SURE TO ADDRESS YOUR ANTICIPATED SCORE RELATED TO MEETING THE THRESHOLD CRITERIA IN THE FHFC RFA RELATED TO PROXIMITY TO PUBLIC TRANSPORTATION, AND PROVIDE A WRITTEN NARRATIVE THAT EXPLAIN THE ANTICIPATED SCORE IN DETAIL. PLEASE PROVIDE THE LOCATION OF THE PUBLIC TRANSPORTATION/BUS STOP, AND THE TYPE OF STOP IT IS, AND THE DISTANCE THAT YOU CALCULATE FROM THE DEVELOPMENT TO THE PUBLIC TRANSPORTATION.

VI. LOCAL GOVERNMENT LOAN REQUEST: Please provide the details of your request for a local government contribution, including the requested loan amount and loan terms, including interest rate, maturity date, amortization, and balloon (if any). The maximum amount of the Local Government Support loan for projects funded by FHFC is the minimum amount that will allow local projects meet FHFC's threshold guidelines. This exact amount will be noticed in each FHFC RFA.

LOAN AMOUNT REQUESTED: _____

MATURITY OF LOAN IN YEARS: _____

INTEREST RATE: _____

AMORTIZATION: _____

BALLOON, IF ANY: _____

VALUE OF CONTRIBUTION FOR FHFC APPLICATION PURPOSES: _____

EXPLANATION AND CALCULATION:

VII. CERTIFICATION (Original Signatures Required)

The undersigned Applicant certifies that the information in this Application is true, correct and authentic.

THE APPLICANT FURTHER ACKNOWLEDGES HAVING READ ALL APPLICABLE AUTHORITY RULES GOVERNING THE PROGRAM AND ACKNOWLEDGE HAVING READ THE NOFA AND THIS APPLICATION.

THE APPLICANT UNDERSTANDS AND AGREES TO ABIDE BY THE PROVISIONS OF THE APPLICABLE FLORIDA STATUTES AND AUTHORITY PROGRAM POLICIES, RULES AND GUIDELINES, INCLUDING THOSE DETAILED IN THE NOFA AND THIS APPLICATION.

THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND ACCURATE. THE PERSON EXECUTING THIS DOCUMENT REPRESENTS THAT HE OR SHE HAS THE AUTHORITY TO BIND THE APPLICANT AND ALL INDIVIDUALS AND ENTITIES NAMED HEREIN TO THIS WARRANTY OF TRUTHFULNESS AND COMPLETENESS OF THE APPLICATION.

THE APPLICANT ACKNOWLEDGES THAT THE AUTHORITY'S INVITATION TO SUBMIT AN APPLICATION DOES NOT CONSTITUTE A COMMITMENT TO FINANCE THE PROPOSED DEVELOPMENT. **APPLICANTS MUST SUCCESSFULLY COMPLETE CREDIT UNDERWRITING AND OBTAIN ALL NECESSARY APPROVALS FROM THE BOARD OF DIRECTORS, AUTHORITY COUNSEL, AND THE CREDIT UNDERWRITER.**

Applicant

Date

Signature of Witness

Name and Title ((typed or printed)

Name (typed or printed)

NOTE: ORIGINAL APPLICATION MUST CONTAIN AN ORIGINAL SIGNATURE, OR THE APPLICATION WILL BE REJECTED AUTOMATICALLY

Florida Housing's Best Practices on Income Averaging

The Board approved a resolution at the September 14th board meeting which delegates authority to designated staff to consider, grant, or deny requests for Waiver or Variance of R.67-48.0023(2), Fla. Admin. Code, regarding requests for changes in application set-aside designations for the purpose of electing Income Averaging. With the necessary authority in place, Florida Housing is releasing this document to serve as the corporation's Final Policy on Income Averaging. This policy is applicable for Developments that are currently under construction or have recently completed construction and meet the following requirements:

- 9% Developments:
 - Received or will receive an allocation of 2018 or prior year credits
 - Have not received their 8609s
- 4% Developments:
 - Applied or will apply under the 2018 or prior year version of the rule
 - Have not received their 8609s

If you wish to pursue Income Averaging for a development that falls into one of the two categories above, please fill out the Average Income Test Election form and submit it to Florida Housing as outlined in the form. This will trigger Florida Housing to begin the next steps in the process to determine if your development qualifies to change its minimum set aside election. You will also need to execute the Applicant Income Averaging Acknowledgement and Certification form, which must be submitted with the Average Income Test Election form.

Florida Housing Requirements of Income Averaging

- Units provided additional funding through the National Housing Trust Fund (NHTF) program, which are required to be set aside for households at or below 22% AMI, may not be offset by units designated at an AMI that is greater than the AMI category applicable to NHTF.
- For both 4% and 9% Housing Credit transactions, the overall AMI of the Housing Credit Set-Aside Commitment may be averaged up to 60%.
- On Housing Credit transactions with SAIL, SAIL units must be Income Averaged along with the Housing Credit units.
- On 4% Housing Credit transactions that include SAIL ELI funding:
 - If the ELI loan has not closed, the development may:
 - Reject the ELI funding award and income average all of its set-aside units, which must include at least a 5% ELI commitment for the entire 50-year affordability period.
 - Keep the ELI funding award, and income average all of its set-aside units, which must include at least the ELI set-aside commitment from the application plus 5% for the entire 50-year affordability period.
 - If the ELI loan has already closed, the development may income average all of its set-aside units, which must include at least the ELI set-aside commitment from the application plus 5% for the entire 50-year affordability period.
- The 10% ELI set-aside for 9% Housing Credit Family and Elderly developments will be increased to a 15% set-aside.

- The 20% ELI set-aside for 9% Housing Credit Preservation developments will be increased to a 25% set-aside.
- Workforce Housing Developments – We will allow Workforce Housing Developments to Income Average. Workforce developments that choose Income Averaging will have to increase the 5% ELI commitment to a 10% ELI commitment and the overall AMI may be averaged up to 60%.
- To the extent the various ELI scenarios provided above do not represent a particular Applicant's ELI commitment scenario, the intent is to allow income averaging with an increase in the Applicant's ELI set-aside commitment of 5%.
- We have not made any decisions on allowing Income Averaging in specialized developments such as the Homeless or Disabling Condition Demographic. If there are owners with these types of developments that would like to elect Income Averaging, they should reach out to Florida Housing for further discussion.
- Regardless of the designated AMI category of the ELI County Chart, if Income Averaging is elected, all ELI units in a development will use the federal 30% AMI standard.
- If a development is already either partially or fully leased up, Florida Housing is concerned that the current incomes/rent may not meet the new Income Averaging requirements. Therefore, the review for the new Income Averaging set-aside will require evaluation of compliance with income and rent requirements for all households at income limit levels at or below 50% AMI, at the Developer's expense. The evaluation review must take place prior to approval of the change in set-aside commitments. It should be noted that it may be logistically impossible for some developments to meet the Income Averaging requirements if they have already begun or completed lease up.
- For developments that have already received their Certificate of Occupancy or have begun pre-leasing, the development may be income averaged under the condition that rents cannot be increased until the end of the term of the existing lease with a three-month notice of the increase, regardless of any escalation clause contained in the lease. Rents may not be increased beyond the current rent limit for the existing AMI designation until expiration of the next lease when less than three months remain on the current lease, regardless of any escalation clause contained in the lease. It is the owner's responsibility to notify the tenant and modify the lease with these terms. This may be verified during the course of Compliance Monitoring.

All developments must adhere to the income averaging requirements outlined below. The approval of the change in set-aside designation will be subject to the following conditions:

- An updated Market Study will be ordered by the Underwriter and the Underwriter will provide an Update Letter to the original Credit Underwriting Report (at the Developer's expense). The Update Letter will reflect the new Income Averaging election and, at a minimum, will verify compliance with income/rent requirements of the existing households, summarize the findings of the updated Market Study and provide a new rental chart, Year 1 Pro Forma, 15-Year Pro Forma, and Underwriter recommendation. The election of Income Averaging will be contingent upon a positive recommendation from the Underwriter.
- If a Development has already received a Market Study that incorporates the Average Income Test designations, this may be considered by the Underwriter at their discretion.
- The Applicant must comply with all ELI requirements of the new Income Averaging policy, which will be confirmed in the Update Letter to the underwriting report.

- The updated Market Study must be provided to the Syndicator and Permanent Lender, who in turn must each provide a letter to FHFC reflecting their respective acceptance of change. The Syndicator's letter should also detail the process they will undergo to review compliance with the new income/rent restrictions under the new Income Averaging set-aside election.
- Once FHFC receives the updated Market Study, Update Letter to the Credit Underwriting Report and letters from the Syndicator and Lender, the developer may submit the petition for rule waiver to Florida Housing's Corporation Clerk.
- After the petition for rule waiver is approved, FHFC will proceed with an amendment to the existing Extended Use Agreement (if applicable) and SAIL LURA (if necessary/applicable). Upon execution by all parties, FHFC will send the Amended EUA to the appropriate county for recording. Upon receipt of the recorded Amendment and satisfaction of all other Housing Credit requirements, FHFC will release the 8609s.
- If the Link Memorandum of Understanding has been executed, it must be re-executed with the updated Link unit numbers if necessary.
- There will be additional fees associated with the change in the set-aside election for the update to the Market Study and CUR.
- At each Board meeting, Florida Housing staff will provide an informational item to the Board informing them of developments that have been approved to change their minimum set-aside election.

Other Considerations

- For IRS Housing Credit purposes, Income Averaging will be applied to ALL buildings in a development that contain set-aside units.
- Each building or each designated multiple building project within a HC development, as applicable, must individually meet Income Averaging requirements.
- It should be noted that if Income Averaging is chosen and a property has NHTF units that Florida Housing has specified, these units will not be included in Income Averaging calculations. For purposes of the IRS, these units will be considered 60% AMI units. For Florida Housing purposes, these NHTF units will not be included in the Income Averaging calculation and may not be offset by units designated at an AMI that is greater than the AMI category applicable to NHTF.
- Income Averaging will not be based on number of bedrooms in a unit and FHFC will allow for floating unit designations, unless future IRS guidance is released that conflicts with this policy. However, for the preparation of the Extended Use Agreement (and any applicable Land Use Restriction Agreement), the number of qualifying Housing Credit units at each IRS AMI tier must be identified by the Applicant. The designations made and recorded in the Extended Use Agreement must be maintained throughout the Extended Use Period.
- Income Averaging applies to both income and rent limits.
- A development that is undergoing resyndication should proceed with caution. The requirements of the original EUA will not cease and the Income Averaging election cannot conflict with existing EUA set-aside requirements. We will take developments into consideration on a case by case basis, but it may be impossible to meet income/rent set-aside requirements of both EUAs during the first thirty years of the original EUA. The applicable fraction at the end of the first year of the original Credit Period must be maintained throughout the term of the original EUA.

- Income Averaging does not apply to the separate tax-exempt bond set-aside requirements. Therefore, set-aside requirements related to the tax-exempt bonds must be met within the units designated at or below 60% AMI.
- No additional Compliance Monitoring Fees are anticipated at this time.

OCCUPANCY LEVELS

8-31-18

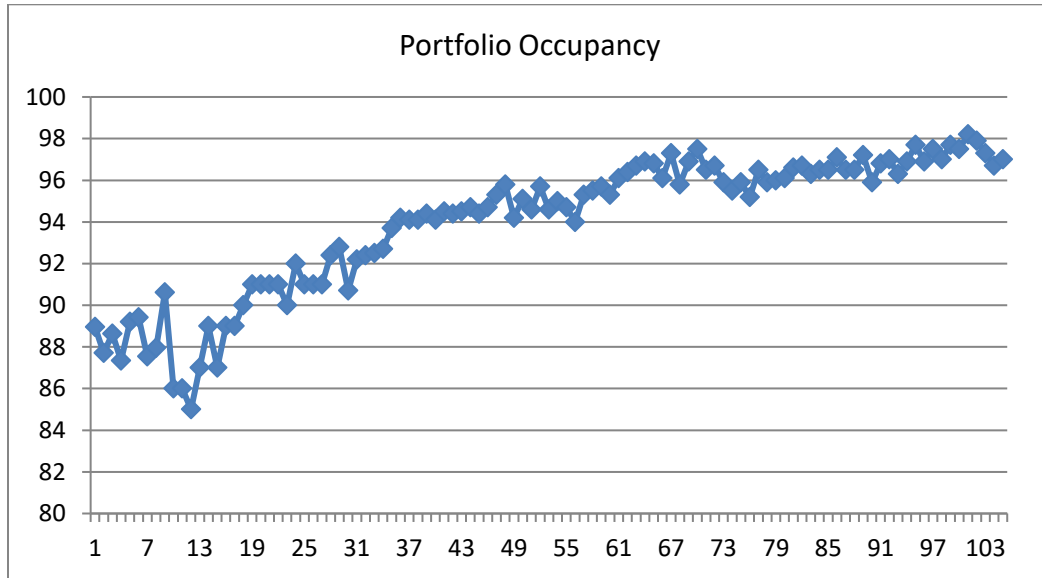
Active Rental Developments—Financed by DCHFA or JHFA

Development & Address	Developer	Original Bonds & Issue Date	Units & Occupancy
Bennett Creek 3585 Salisbury Drive 32216	Richman	\$21,600,000 12-21-10	264 96% (+0%)
Brookwood Forest Apartments 1251 Fromage Way 32225	CED	\$10,000,000 2005	168 90% (-3%)
Camri Green Apartments 3820 Losco Road 32257	Vestcor	\$9,200,000 2003	184 99% (+1%)
Caroline Arms 6457 Fort Caroline Road 32277	Southport	\$12,500,000 7-3-18	204 98% (-0%)
Caroline Oaks 5175 Main Street N. 32208	Vestcor	\$5,600,000 4-22-15	82 100% (+0%)
Cathedral Terrace 701 N. Ocean St. 32202	Blue Sky	\$12,500,000 1-21-16	200 99% (+3%)
Christine Cove 3730 Soutel Dr 32208	Carlisle	\$6,000,000 2006	96 97% (-2%)
Hartwood (AKA Hampton Ridge) 11501 Harts Road 32218	Southport	\$5,840,000 2006	110 94% (-0%)
Lofts at LaVilla 995 Water Street 32204	Vestcor	Housing Credits \$265,000 JHFA loan	130 100% (+1%)
Mary Eaves 1250 16 th Street West 32209	Vestcor	FHFC bonds \$300,000 JHFA loan	79 99% (-1%)
Mt. Carmel Gardens 5846 Mt. Carmel Terrace 32216	BREC	\$9,750,000 8-19-16	207 97% (+0%)
Oakwood Terrace 8201 Kona Avenue	Southport	\$12,700,000 6-30-17	200 Rolling Rehab 86%
Timberwood Trace 12250 Atlantic Blvd. 32225	Southport	\$16,000,000 2-1-17	224 96% (+0%)
Timuquana Park Apartments 5615 Seaboard Ave. 32244	Southport	\$4,300,000 2004	100 99% (-0%)

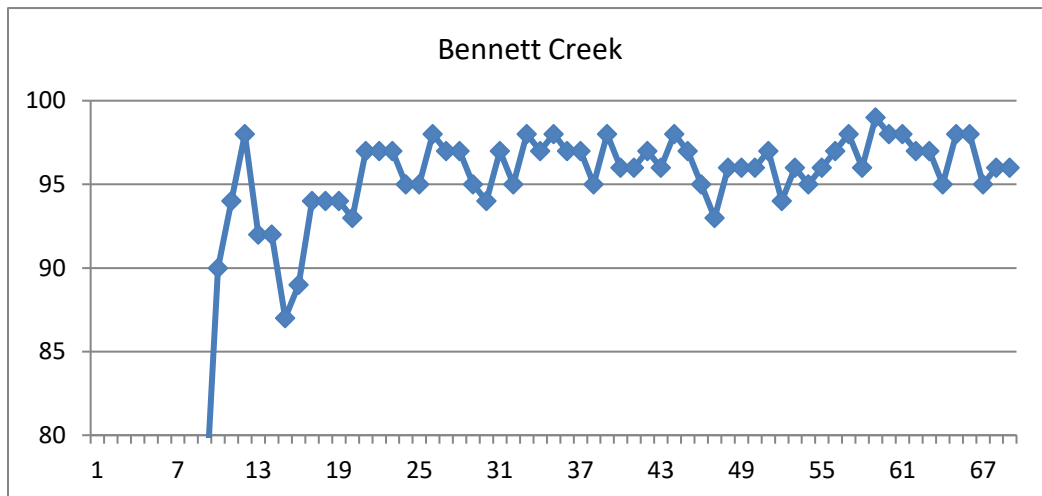
OCCUPANCY LEVELS

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105 Month Occupancy Levels—Entire Portfolio Average Occupancy



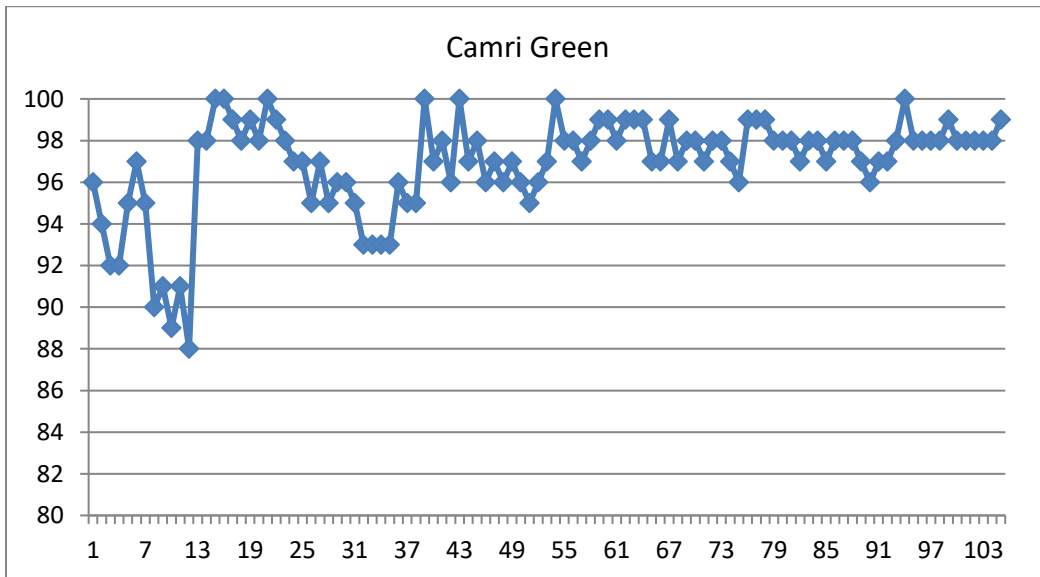
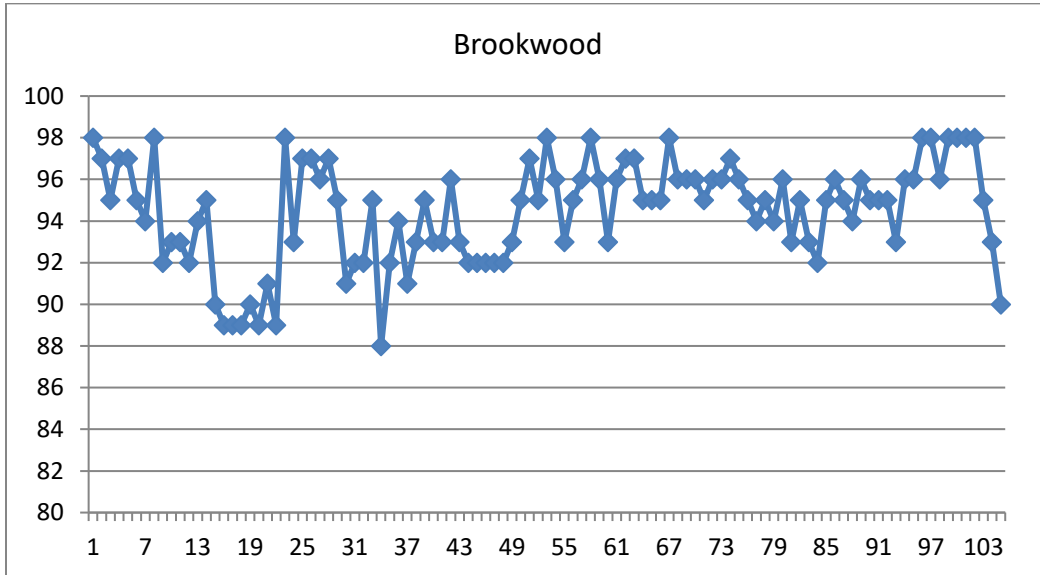
Average Occupancy by Development



OCCUPANCY LEVELS

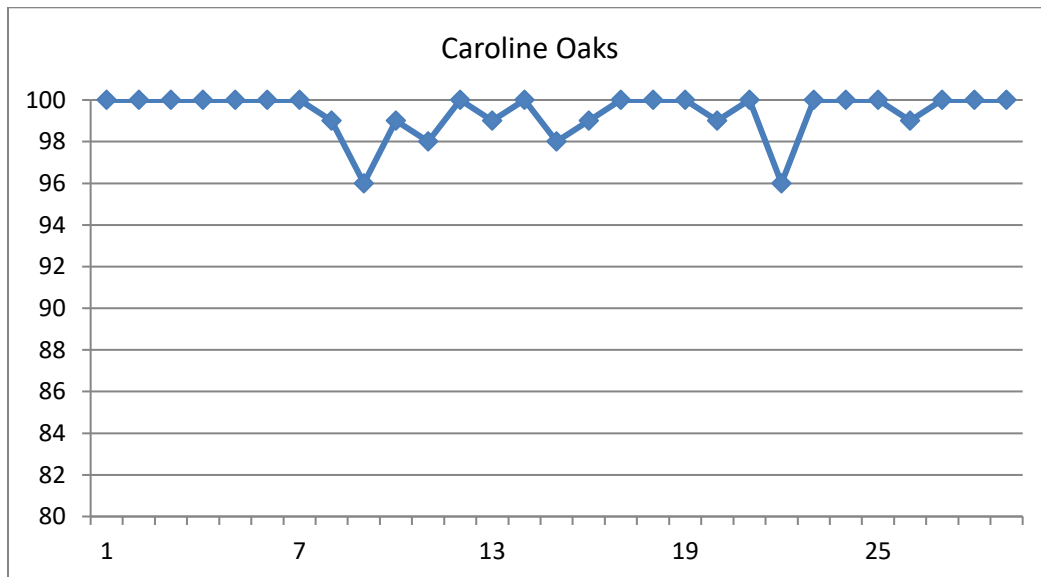
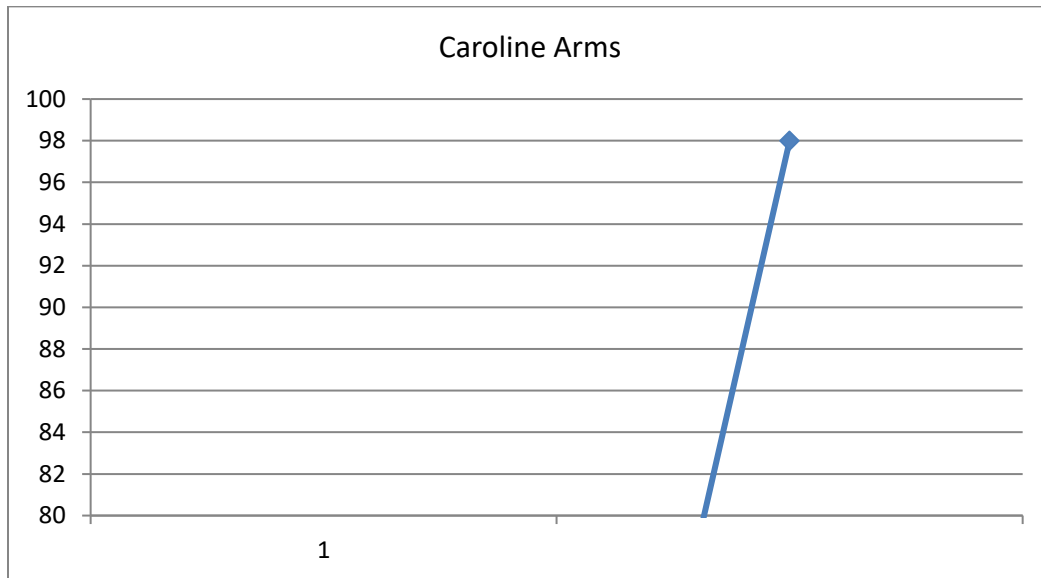
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Average Occupancy by Development



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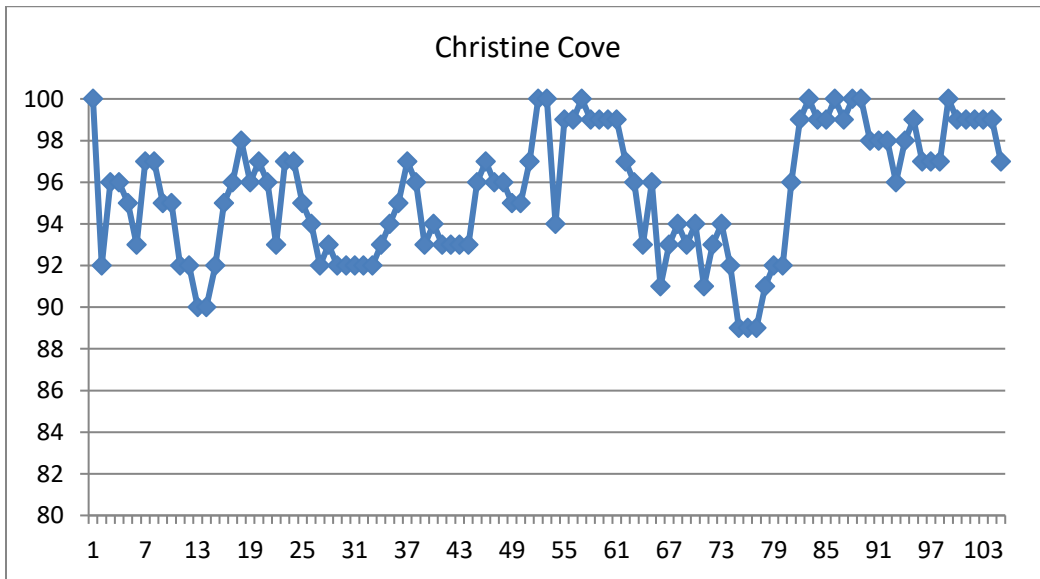
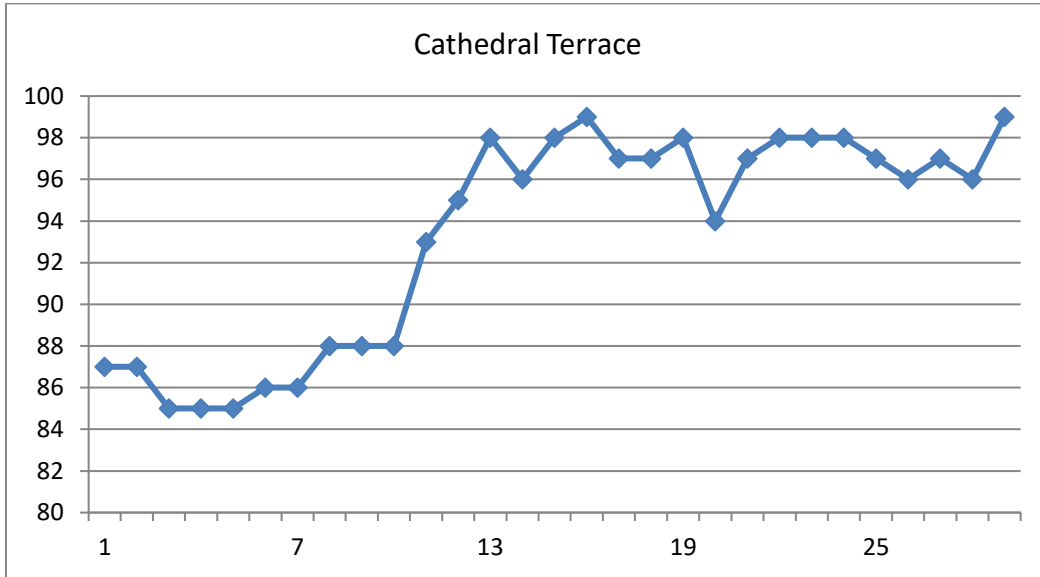
Average Occupancy by Development



OCCUPANCY LEVELS

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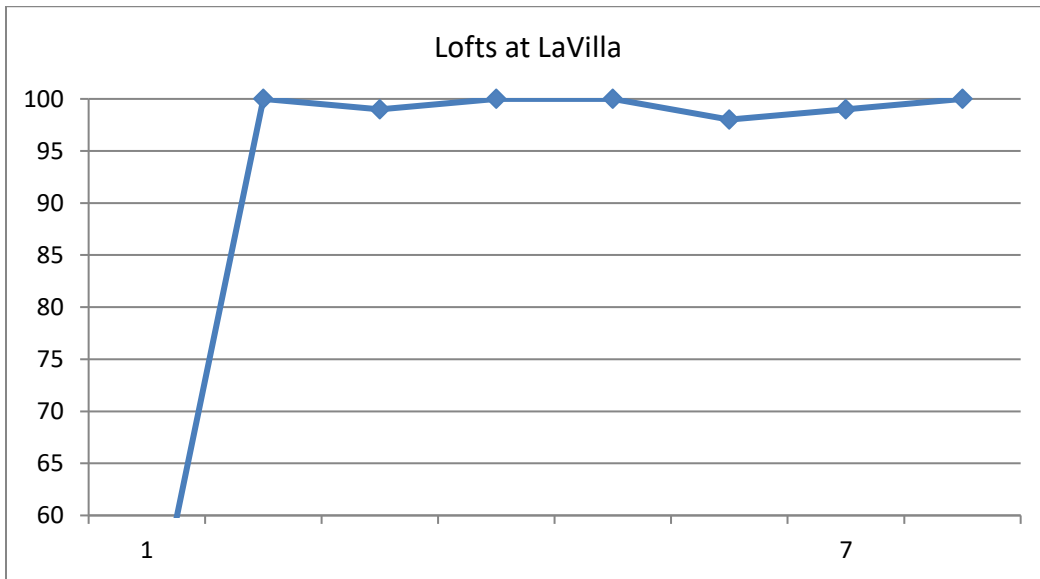
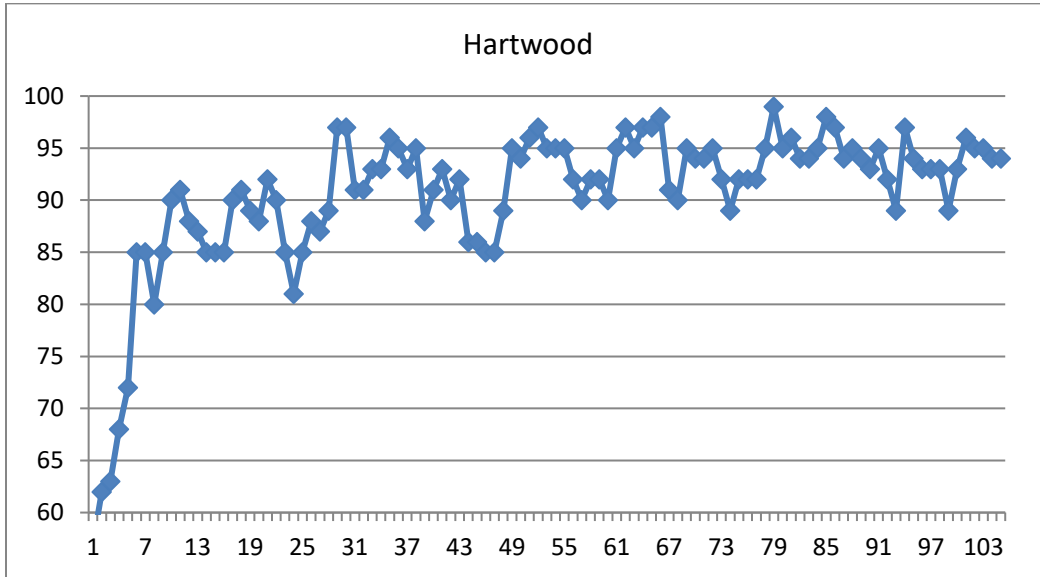
Average Occupancy by Development



OCCUPANCY LEVELS

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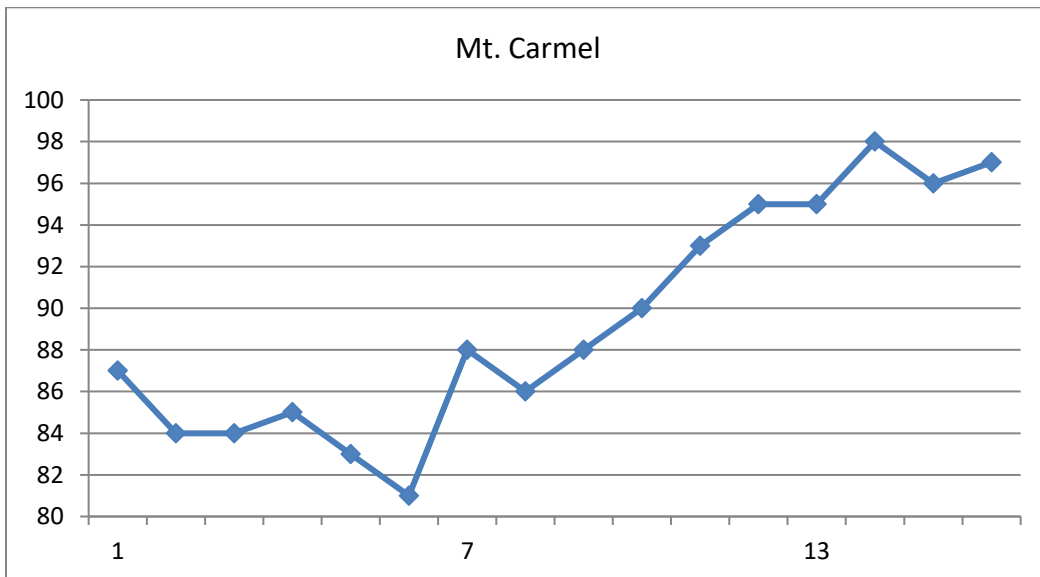
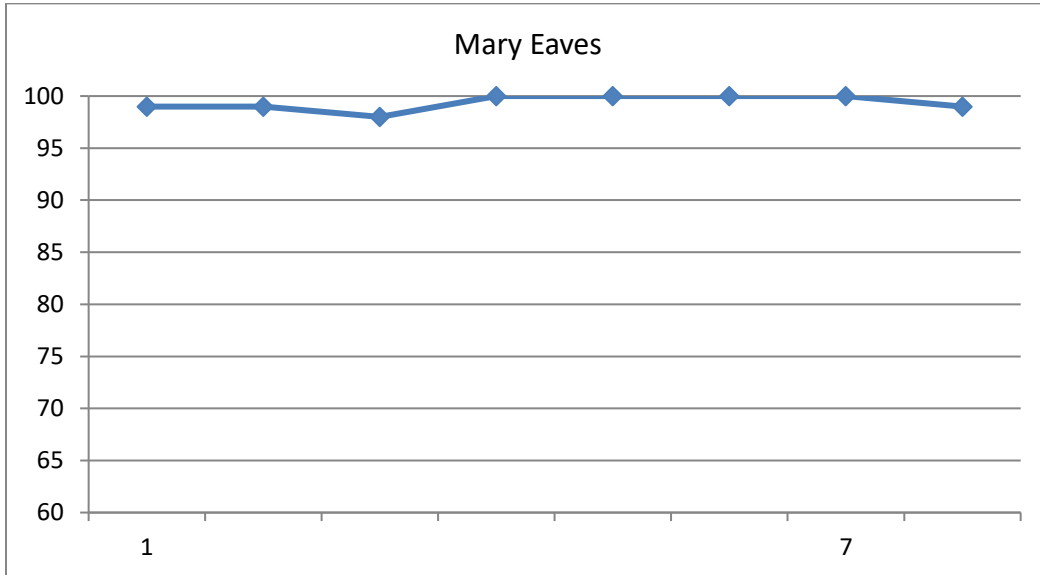
Average Occupancy by Development



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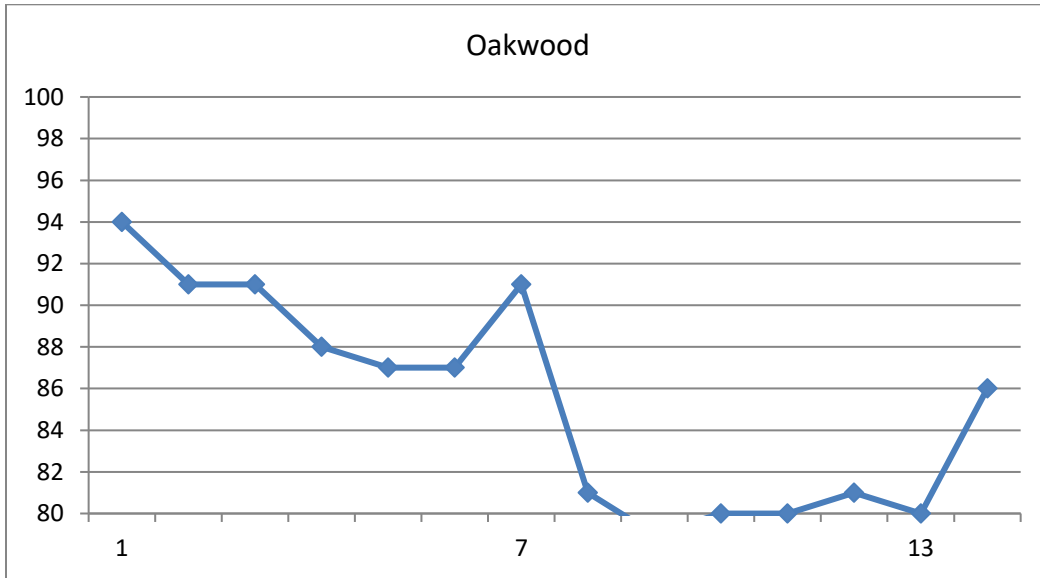
Average Occupancy by Development



OCCUPANCY LEVELS

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Average Occupancy by Development



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