

JACKSONVILLE HOUSING FINANCE AUTHORITY



Jacksonville Housing Finance Authority Board of Directors Meeting

December 4, 2019

Noon

214 North Hogan Street, 8th Floor

- AGENDA -

Call Meeting to Order

Chair

Approval of Minutes of October 23, 2019 Meeting

JHFA Board

I. Public Comments

A. Public Comments

Public

II. REPORTS

A. Staff and Financial Report

Laura Stagner

- Financial Statement
- Procurement
- Incumbency Certificate
- Annual Report

B. Financial Advisor Memo

Mark Hendrickson

IV. ACTION ITEMS

A. Board Members Declare Conflicts, if any

Board

B. Consider Use Agreement Transfer: Millennia Portfolio

Rhonda Bond-Collins

C. Consider LURA Amendment Monaco Arms

D. Consider LURA Amendment Caroline Arms

B. Consider Approval of 2020 HFA Meeting Calendar

Mark Hendrickson

V. NEW BUSINESS

VI. OLD BUSINESS

A. Update on Bond Allocation

Rhonda Bond-Collins

B. Single Family Program

Mark Hendrickson

C. New Rental Financings

Mark Hendrickson

D. Update on Existing Rental Properties

Mark Hendrickson

- Recent JHFA Activities/Developments
- Gregory Cove
- Occupancy Report

E. Update on 2020 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

October 23, 2019

October 23, 2019: JHFA Board Meeting

Noon

214 North Hogan Street, 8th Floor

BOARD MEETING:

Present at the meeting were:

BOARD MEMBERS

Tripp Gulliford, Chair
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
Debbie Berner, RBC Capital Markets, Investment Banker
Randy Clement, Bryant Miller Olive, Bond Counsel
Lawsikia Hodges, City of Jacksonville Office of General Counsel
Tricia Heintz, Bank of New York Mellon, Trustee
Susan McAfoos, Bank of New York Mellon, Trustee

CITY STAFF:

Laura Stagner
Jane Bouda

PUBLIC:

Ryan Hoover, Vestcor
Steve Moore Vestcor
Jordan Nelson, Southport
Dylan Ames, Southport
Ely Banks, The Richman Group
Nick Inamdar, Magellan Housing

BOARD MEETING

Chairman Gulliford called the meeting to order at 12:02 pm, with a quorum present.

Minutes

Mr. Cummings moved, with a second by Ms. Scofield, that the **Board approve the minutes of the September 18, 2019 Board meeting.** The motion passed 7-0.

Public Comments

Mr. Nick Inamdar introduced himself and his company, Magellan Housing.

Staff Report and Financial Report

Ms. Stagner updated the Board on JHFA financials informing them that the year-end financials should be available in November.

Ms. Stagner also updated the Board on the status of the Professional Services scoring process (Investment Banker, Bond Counsel, Trustee, and Financial Advisor), asked that all scoring be completed in October, and that she intended to take the selections to PSEC in November.

Board Member Conflicts

Chairman Gulliford advised that his firm did some non-affordable housing business with Vestcor, stating that this was a non-voting conflict. Mr. Citrano disclosed his firm did business that involved Vestcor, and that he had a voting conflict.

Bond Allocation

Mr. Clement presented a resolution prepared by bond counsel, authorizing \$50 million of single family bonds, authorizing a TEFRA hearing and request for TEFRA approval, and authorizing a request for bond allocation from the November State Pool and/or the 2020 Regional Pool. After discussion, Ms. Scofield moved, with a second by Mr. Cummings, that the Board **adopt the Single Family Resolution**. The motion passed 7-0.

Single Family

Ms. Berner provided education on the single family program, how it differs from a bond program, and how mortgages were pooled and sold at a profit.

Ms. Stagner stated that the Down Payment Assistance (DPA) funds were almost fully utilized, and that volume in the single family program was increasing. After discussion, Ms. Carswell moved, with a second by Mr. Citrano, that the Board **authorize the transfer of \$250,000 from the loan fund for use as DPA second mortgage loans**. The motion passed 7-0.

Multi-Family Updates

Ashley Square

Mr. Clement reported that the Ashley Square bond transaction was moving forward, but due to the timing of the transaction, a new TEFRA hearing would be required, along with an Amended and Restated Inducement Resolution and Preliminary Agreement (with new expiration date of 12-31-20). Ms. Hodges noted that the item was not on the published agenda, and that the Board should permit public comment on the item before any action. Chairman Gulliford asked if any member of the public wished to speak on the agenda item, and no member of the public made a comment. After discussion, Mr. Cummings moved, with a second by Ms. Scofield, that the Board **adopt the Amended and Restated Inducement Agreement and Preliminary Agreement for Ashley Square**. The motion passed 7-0.

Local Contribution

Mr. Hendrickson presented the analysis of the four applicants for a local government contribution received pursuant to a NOFA issued by the JHFA. He stated that this analysis and selection related to developments located in Geographic Areas of Opportunity (GAO), because FHFC had targeted Duval County for a GAO deal in their current RFA. After Mr. Hendrickson summarized his analysis, Chairman Gulliford asked for Board discussion, which followed, with all Board members presenting their analysis of the applications.

After discussion, Ms. Carswell moved, with a second by Ms. Bumbarger, that the Board select Bayou Crossing to receive the local government contribution. The motion failed, with Ms. Carswell voting in favor, members Gulliford, Cummings, Bumbarger, Rosen and Scofield voting against, and Mr. Citrano abstaining.

Additional discussion followed on the merits of the transactions, with most members stating that they found merit in all of the applications, but particularly Lofts at Murray Hill and Prudential Place. The members discussed the relative merits of the developments. Board members discussed the maximum economic impact, the adaptive reuse or redevelopment of existing structure or properties, and the proximity to public transportation as factors where there was a clear difference between the applicants.

After discussion, Ms. Bumbarger moved, with a second by Ms. Scofield, that the Board

- **Select Lofts at Murray Hill as the development within a Geographic Area of Opportunity to receive required local contribution**
- **\$115,000, 20-year loan term, 0% interest, no payments until balloon at end of year 20**
- **Loan commitment and loan 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 dates of December 31, 2020.**

The motion passed 5-1, with Mr. Cummings, Ms. Bumbarger, Ms. Carswell, Mr. Rosen and Ms. Scofield voting in favor, Chairman Gulliford voting against and Mr. Citrano abstaining.

Mr. Hendrickson explained the need for a “back-up” deal, which would be located outside of a Geographic Area of Opportunity, but would be funded if the Lofts at Murray Hill were to fail FHFC threshold scoring. After discussion, Mr. Cummings moved, with a second by Ms. Carswell, that the Board

- **Select Cedar Station as the development outside a Geographic Area of Opportunity to receive required local contribution**
- **\$115,000, 20-year loan term, 0% interest, no payments until balloon at end of year 20**
- **Loan commitment and loan 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 dates of December 31, 2020.**

The motion passed 7-0.

Millennia

Mr. Hendrickson updated the Board on the construction issues related to Valencia Gardens, noting that the rehabilitation work was only 27% complete. He stated that the developer had requested a waiver related to requirements on air conditioning units. After discussion, the Board **directed Mr. Hendrickson to communicate to Millennia that waiver requests would not be considered in a piecemeal manner, and that any request for a waiver would need to come near the end of the rehabilitation work.** Ms. Scofield moved, with a second by Mr. Cummings, that the Board **take no action on the requested waiver.** The motion passed 7-0.

Caroline Arms

Ms. Stagner informed the Board that the JHA had agreed to administer the project based vouchers needed for the development.

2019 Legislative Update

Ms. Leigh reported that committees had begun, and the materials were available for individual Senate and House members on the Florida Housing Coalition website.

Adjournment

On a motion by Mr. Cummings, seconded by Mr. Rosen, the Board voted unanimously to adjourn the meeting at 1:12 PM.

THE HENDRICKSON COMPANY & COMMUNITY CONCEPTS GROUP

To: Board of Directors, Jacksonville Housing Finance Authority

From: Mark Hendrickson & Susan Leigh, Financial Advisors

Subject: December 4, 2019 JHFA Board Meeting

Date: November 26, 2019

I. 2019 Bond Allocation—Informational

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2019	\$ 50,000,000			
2018	\$100,000,000	\$ 17,500,000		December 30, 2021
2017	\$ 50,000,000	\$140,700,000		December 31, 2020
TOTAL	\$200,000,000	\$158,200,000	\$0	

1. The 2019 allocation is \$48,897,471 an increase of \$742,277 (1.5%) over 2018. City Council approved a \$50 million single family TEFRA and allocation has been received from the State Pool.
2. A TEFRA hearing was held on November 4 for \$50 million of single family, with City Council approval expected December 10. This will be used to apply for State Pool or 2020 allocation.
3. **Recommendation:** None.

II. 2013 Single Family Loan Program—Informational

1. The **current program guidelines:**
 - 1st mortgage: 4.125%, 1% origination fee, FHA, VA, RD, 4.625% for Freddie Mac loans
 - First time homebuyers.
 - Income Limit: \$70,386 (1-2 person household) & \$80,944 (3+ person household)
 - Sales Price limit \$199,000.
 - 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: \$7,500 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 increased to \$7,500 effective March 1, 2019. Loan volume has increased in the last three months—27 loans as compared to 7 in the previous three months.

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
Feb-19	\$ 100,000
Oct-19	\$ 250,000
TOTAL AUTHORIZED	\$ 2,468,443

LOAN VOLUME	\$ 2,505,510
Adjustments	
FHFC	\$ 88,796
Repayments	\$ 122,500
	\$ 211,296
NET VOLUME	\$ 2,297,214
AVAILABLE	\$ 171,229

3. **Rate Change:** The interest rates were decreased by 1% in August 2019.

4. **Program Demographics:**

Sales Price/ # Loans	Loan Amount	Borrower Income	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	MCC Amount
\$139,965 493 loans +15 loans	\$134,136	\$47,185	37.0 48% female	2.3	SF Detached 93% Condo: 2% Townhouse: 6% Existing: 97% New: 3%	Black: 27% White: 40% Hispanic: 19% Mixed: 1% Asian: 8% Other: 5%	\$27,790,664 \$65,358.97 avg. 423 buyers

5. **Lender Originations:** Academy (148), SWBC (123), Prime (55), Bank of England (52), Fairway (55), Pacific Union (23), CMG (13), Network Funding (6), Open (5), DHI (4), Ameris Bank (3), Paramount (2), Resource Financial (1), Guild (2) & 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 (\$9,476,133 used to date).

7. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan of \$132,000 and a 4.125%/30-year mortgage, interest payments in Year 1 = \$6,394. 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 16 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 4.125% to approximately 2.25%.
8. **MBS Sales:** The HFA has executed 134 sales, with net revenues of \$1,509,035 (net meaning after payments to RBC and counsel) coming to JHFA.
9. **Hedges & Exposure:** Hillsborough County has 13 hedges totaling \$16.315 million in place. With full delivery, the projected net revenues are estimated at \$459,768 (shared pro rata with counties based upon originations). The unhedged pipeline as of November 20 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 \$66.13 million.**
11. **Recommendation:** None.

III. New Rental Financings—Informational

1. **Ashley Square** is moving forward with bond financing, with a new projected closing date of May 2020. Sydney Trace is moving forward with a 1st quarter 2020 anticipated closing date. Both had TEFRA hearings on November 4, with anticipated City Council Approval December 10. **Cedar Station** and **Parkway Commons** will apply for SAIL, which will determine if they move forward as bond deals.
2. The 2020 Bond Application is now "open", meaning applications are evaluated on a first-come first-evaluated basis.
3. The **2020 Bonds without SAIL NOFA** and application will be published later this fall.
4. The Board approved **Gap Financing** for developments using JHFA bonds of \$2 million, with \$1.5 million to **Sydney Trace** and \$0.5 million to **Ashley Square**).
5. **Recommendation:** None.

	Ashley Square	Sydney Trace
Developer/ Location	Blue Sky Communities Tampa, FL	Vestcor Jacksonville, FL
Development Location	127 E. Ashley St. & 116 E. Beaver St. Cathedral District	Villages of Argyle North side of Merchants Way, west of intersection of Oakleaf Village parkway & Merchants Way 32222
City Council District	Reggie Gaffney	Randy White
Type	New Construction Mid-Rise	New Construction Garden
Demographic	Elderly	Family
Bond Request	\$14,000,000 \$116,667/unit	\$21,500,000 \$111,979/unit
TEFRA Hearing TEFRA Approval Preliminary Agreement Expiration	2-1-19/11-4-19 3-26-19/12-1019 12-31-20	11-4-19 12-10-19 12-31-20
Credit Enhancement	TBD	Direct Purchase by R4 Capital
Credit Underwriter	First Housing	Seltzer
Closing Date	May 2020	Early 2020
Units	120	192
Permanent 1st Mortgage Estimate	\$6,500,000	\$16,500,000
SAIL & ELI (FHFC)	\$7,100,000	\$8,675,037
City Loan	\$1,000,000	\$1,000,000
JHFA Loan	\$610,000	\$1,500,000
Housing Credits	TBD \$9,267,790 \$77,232/unit	Raymond James \$10,133,858 \$52,781/unit
TDC	\$26,007,232	\$31,070,899
TDC per unit	\$216,727	\$161,828
Land Cost	\$1,500,000 \$12,500/unit	\$2,970,000 \$15,469/unit
Acquisition of Building	NA	NA
Hard Construction or Rehabilitation Cost	\$16,590,000 \$138,250/unit	\$20,563,200 \$107,100/unit
Set Aside Period	50 years	30 years
Set Aside Levels	85.0%<60% AMI 10.0%<33% AMI 5.0%<22% AMI	100%<60% AMI

	Cedar Station	Parkway Commons
Developer/ Location	Southport Development Tampa, FL	Southport Development Tampa, FL
Development Location	East side of Harlow Blvd. approx. 985 feet north of Harlow & 103 rd Street Cedar Hills	901 Main Street North Downtown
City Council District	Brenda Priestly Jackson	Reggie Gaffney
Type	New Construction Garden	New Construction Mid-Rise
Demographic	Family	Family
Bond Request	\$13,500,000 \$105,469/unit	\$14,500,000 \$118,852/unit
TEFRA Hearing	TBD	TBD
TEFRA Approval	TBD	TBD
Preliminary Agreement	TBD	TBD
Expiration		
Credit Enhancement	TBD	TBD
Credit Underwriter	TBD	TBD
Closing Date	Late 2020	Late 2020
Units	128	122
Permanent 1st Mortgage Estimate	\$8,000,000	\$7,900,000
SAIL & ELI (FHFC)	\$7,500,000	\$7,500,000
City Loan	\$0	\$0
JHFA Loan	\$115,000	\$115,000
Housing Credits	TBD \$8,939,237 \$69,838/unit	TBD \$8,436,374 \$69,151/unit
TDC	\$24,091,344	\$25,570,838
TDC per unit	\$188,214	\$213,877
Land Cost	\$895,000 \$6,992/unit	\$2,750,000 \$22,541/unit
Acquisition of Building	NA	NA
Hard Construction or Rehabilitation Cost	\$16,755,200 \$303,900/unit	\$16,461,750 \$134,932/unit
Set Aside Period	50 years	50 years
Set Aside Levels	84%<60% AMI 11%<40% AMI 5%<22% AMI	85%<60% AMI 10%<30% AMI 5%<22% AMI

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

1. JHFA selected Lofts at Murray Hill as the preferred development for application to FHFC for 9% Housing Credits. It was the only applicant located in a Geographic Area of Opportunity—which is the FHFC priority for this year. Cedar Station also applied (JHFA's backup deal), but it is not located in a GAO.
2. If Lofts at Murray Hill passes FHFC threshold scoring, it will be funded.
3. **Recommendation:** None.

V. Update on Existing Rental Properties—Action

1. Millennium Portfolio—The Weldon and Palmetto Glen: JHFA is being asked to approve the release and transfer of Use Agreements from Palmetto Glen and the Weldon based on the following from HUD:

Palmetto Glen (FKA Southside Apartments) and The Weldon (FKA Moncrief Village) participated in a HUD preservation program in 2001 called Mark to Market (M2M). Under the program, HUD assessed the projects, both physical and financial, and adjusted rents to ensure that the project would remain viable during necessary upgrades/rehab. As a condition of participation in that program, owners entered into a Use Agreement wherein they were required to maintain the projects as affordable housing for 30 years from the date of closing on the M2M. Those Use Agreements required that rents be calculated based upon an annual Operating Cost Adjustment Factor (OCAF) determined by HUD. At no time, could these rents exceed the comparable rents in the immediate area of the project's location.

The projects changed owners and fell into serious disrepair over the years. Now Millennia has stepped into the picture as owner and agent for the projects and has agreed to perform substantial rehab at each of the projects. Their financing plan requires increased rents to sustain the mortgage obligations and fund repairs. However, under the M2M Use Agreements, their rents are restricted to the OCAF level and will not support the financing.

Another HUD program, Mark Up to Market, will enable HUD to authorize rents to a level that will support the financing and allow the much-needed upgrades to the projects for the betterment of the residents and community. However, as long as the projects are encumbered by the M2M Use Agreements, they are not eligible to participate in the Mark Up to Market (MU2M) program. HUD has advised Millennia to request transfers of the remainder of the existing Use Agreement terms to another project, so that MU2M rents can be approved for each project. Under Mark Up to Market, a new 20-year Use Agreement will take the place of the M2M Use Agreements, and the owners will also be approved for new 20-year Section 8 subsidy contracts, to run concurrently with the Use Agreements.

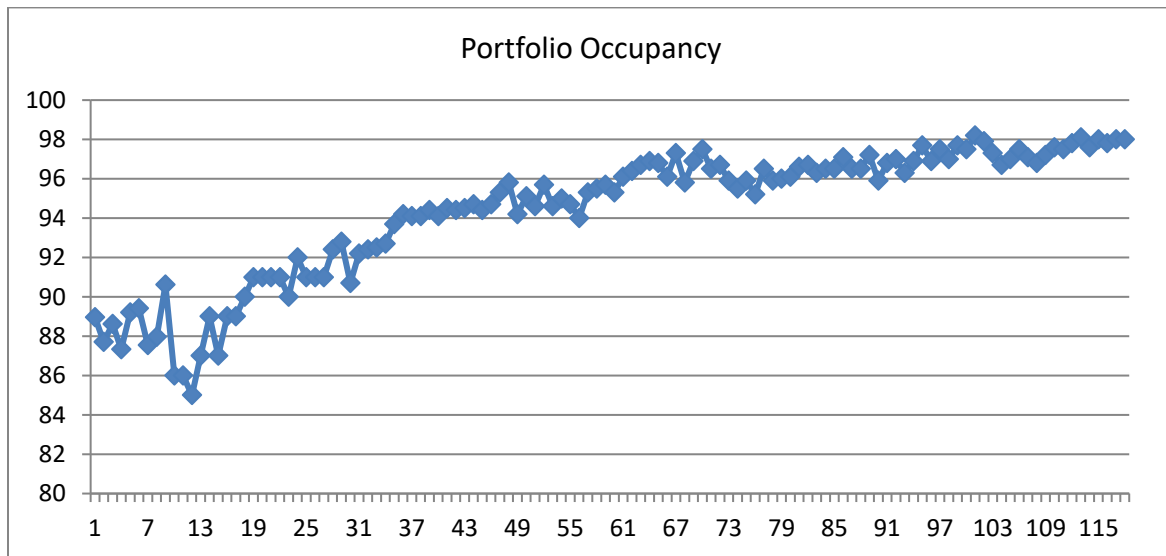
Existing M2M Use Agreements for Palmetto and Weldon would expire in October 2031. By transferring them to another project, we are able to add an additional 8 years of affordability restrictions to both Palmetto and The Weldon. The remaining term on the M2M Use Agreements would run concurrently with another existing Use Agreement on Calloway Cove until their expiration in 2031.

The transfer of the Use Agreements requires evidence of local government acknowledgment before our HUD HQ will issue final transfer approval. It's simply to assure that local officials are aware of the efforts to preserve the affordable housing market.

- 2. Caroline Arms:** The owner has requested that income averaging be permitted. This is the system where the Treasury permits some units at 80% of AMI in exchange for enough units at levels less than 60% AMI—so that the “average” of the set-asides is 60%. JHFA endorsed the concept, so long as the owner meets all FHFC requirements for income averaging. Currently, the development is 100% of units under 60% AMI. The owner is proposing 54 units at 40% AMI, 107 units at 60% AMI, and 43 units at 80% AMI. FHFC's approval has not been verified.
- 3. Monaco Arms:** The owner has requested an amendment to the LURA substituting a security camera system in place of a gated entry. The gated entry cannot be utilized due to setback requirements—and the security camera system would be of more use in monitoring the property.
- 4. Gregory Cove:** Received JHFA funding in 2003. Loan repaid this month (\$926,206).
- 5. Development Activity:** The chart below details developments financed in the last four years:
- 6. Occupancy:** The current portfolio occupancy using a weighted average is 98.0% (-0.0%).

7. Recommendations:

- **Millennia Portfolio:** Execute the Approvals to transfer for the Use Agreements for Palmetto Glen and The Weldon.
- **Caroline Arms:** Approve amendments to bond documents, permitting income averaging, if FHFC approval is verified, and require owner to pay all legal costs.
- **Monaco Arms:** Approve amendment to LURA substituting security camera system for gated entry and require owner to pay all legal costs.



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

Development	Location	Building Type Demographic	Units	TDC	JHFA Loan
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
Monaco Arms 5-31-19	10415 & 10525 Monaco Drive	Garden Rehab Family	156	\$20,375,112	16.38 million bonds
The Waves 9-26-19	Nine scattered JHA public housing sites in Jacksonville Beach	Garden NC Family	127	\$29,726,033	\$15.8 million bonds \$115,000 JHFA loan
TOTAL			2,837	\$443,161,231	\$204.83 million bonds \$4.640 million JHFA loans

VI. State Legislative Update—Informational

1. The 2020 legislative session begins in January.
2. Based upon the August 2019 Revenue Estimate, \$350.77 million will be available from the Housing Trust Funds for FY 20-21 appropriations. SHIP is \$245.8 million and FHFC Programs (SAIL) \$104.97 million.
3. Governor DeSantis recommended full funding in his proposed budget released November 18, stating, *“Despite our strong economy and low unemployment, finding affordable housing can be challenging. My budget provides \$387 million to fully fund Workplace and Affordable Housing Programs, with \$267.2 million for the SHIP and \$119.8 for the SAIL program.”*
4. The difference between the two “full funding” numbers is that the Governor included anticipated trust fund balances from unanticipated revenues this fiscal year added to projected revenues for FY 20-21, while the Sadowski Coalition only uses the projected revenues.
5. The full-funding SHIP distribution by County/City has been generated and is attached. With full funding, Jacksonville would receive \$11,403,757.

6. The legislator one-pagers are available under the “Advocacy” tab at www.sadowskicoalition.org
7. Senator Mayfield (R- Melbourne) introduced SB 306, which would prohibit transferring monies in the Housing Trust Funds to General Revenue or the Budget Stabilization Fund. A companion bill (HB 381) was filed by Representatives Silver (D-Palm Beach) and Killebrew (R-Polk County). This is significant because we have a Republican prime sponsor in the House for the first time.
8. **Recommendation:** Meet with local legislators prior to the session.

Appropriation of Housing Trust Fund Monies: \$350.77 Million

Revenue Estimate from November 2019 REC Conference

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 20-21	FINAL BUDGET FY 19-20
FHFC: SAIL Line 2281	\$119,800,000				\$ 39,040,000
SHIP Line 2282	\$267,200,000				\$ 46,560,000
Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line	\$0				\$ 65,000,000
Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line	\$0				\$ 50,000,000
TOTAL HOUSING	\$387,000,000				\$200,600,000
SHTF SWEEP	\$0				\$ 10,000,000
LGHTF SWEEP	\$0				\$115,000,000
TOTAL SWEEP	\$0				\$125,000,000
Unallocated SHTF	\$0				\$ 300,000
Unallocated LGHTF	\$0				\$7,060,000

Proviso/Back of the Bill for FHFC:

- 20% of each SAIL development for person with special needs or the elderly
- \$20 million of SAIL for workforce housing in the Keys
- SHIP funds shall prioritize funding to assist with hurricane housing recovery before routine and customary use of funds
- \$500,000 from SHIP for Catalyst Training

Additional Homeless Funding				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$3,181,500	350	GR	DCF
Federal Emergency Shelter Grant Program	\$6,950,886	351	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants (staffing for 27 homeless lead agencies)	\$3,000,000	352	GR	DCF

Caroline Arms Preservation, Ltd.
201 Santa Monica Blvd, #550
Santa Monica, CA 90401

September 18, 2018

VIA EMAIL

Rhonda D. Bond-Collins
Bryant Miller Olive
255 S. Orange Avenue, Suite 1350
Orlando, FL 32801
Rcollins@bmolaw.com

Dear Ms. Bond-Collins,

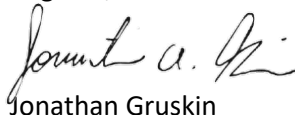
Per your conversation with Brian McDonough, Caroline Arms Preservation, Ltd. (the "Borrower") is requesting an amendment to that certain Land Use Restriction Agreement dated as of July 1, 2018 by and among the Jacksonville Housing Finance Authority, as issuer (the "Issuer"), The Bank of New York Mellon Trust Company, N.A., as trustee, and the Borrower (the "Regulatory Agreement") to permit the Borrower to take advantage of the income-averaging set-aside method established under The Consolidated Appropriations Acts of 2018.

Our counsel has suggested that the appropriate change to the Regulatory Agreement would be to add that the definition of "Applicable Income Limit" would be changed to 80% with a specific statement that no less than 40% of the units would be leased to families earning 60% of area median income. Additionally, 100% of the units in the Development would be leased to Lower Income Persons whose incomes do not exceed, on average, 60% of the Area Median Income and that the Owner may lease Available Units to Low Income Persons whose income exceeds 60% as long as the average income of the occupants of all Available Units in the Development does not exceed 60% of AMI, all as contemplated by Section 42(g) (1) (C) of the Internal Revenue Code which was passed into law pursuant to The Consolidated Appropriations Act of 2018, enacted into law on March 23, 2018.

Of course, the Issuer or you as their counsel may have other language you prefer. We look forward to reviewing your proposed changes with our counsel, Brian McDonough. Thanks a lot for your attention to this matter.

Please advise of any additional information that we can provide in furtherance of this request and thank you in advance for your assistance.

Regards,



Jonathan Gruskin

cc: Mark Hendrickson (mark@thehendricksoncompany.com)
Ben Johnson (ben@seltzermanagement.com)
Brian McDonough (bmcdonough@stearnsweaver.com)

OCCUPANCY LEVELS

9-30-19

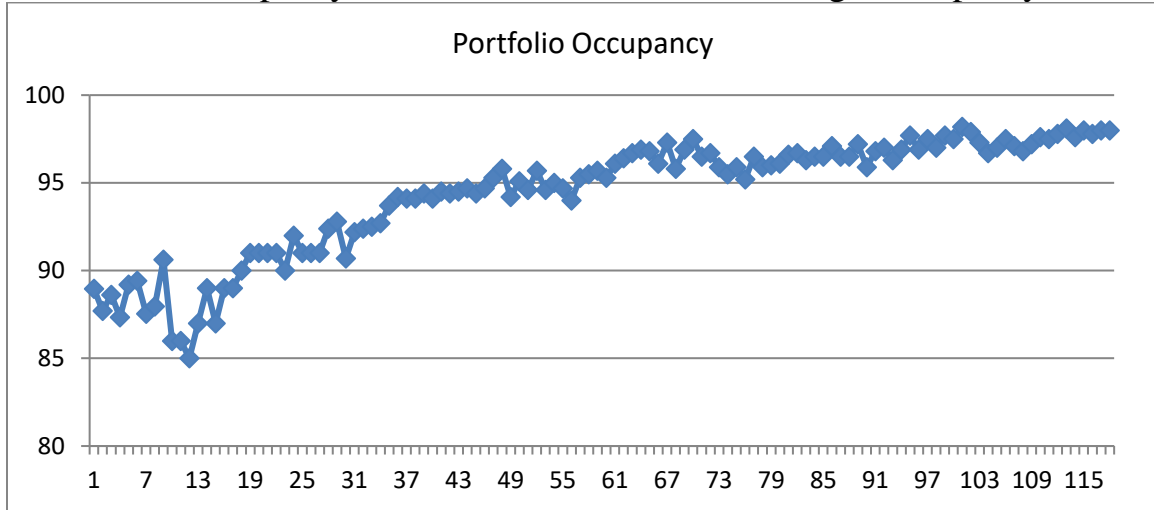
Active Rental Developments—Financed by DCHFA or JHFA

Development & Address	Developer	Original Bonds & Issue Date	Units & Occupancy
Bennett Creek 3585 Salisbury Drive 32216	Richman	\$21,600,000 12-21-10	264 97% (-0%)
Brookwood Forest Apartments 1251 Fromage Way 32225	CED	\$10,000,000 2005	168 95% (-2%)
Camri Green Apartments 3820 Losco Road 32257	Vestcor	\$9,200,000 2003	184 99% (-0)
Caroline Arms 6457 Fort Caroline Road 32277	Lincoln Avenue	\$12,500,000 7-3-18	204 98% (+1%)
Caroline Oaks 5175 Main Street N. 32208	Vestcor	\$5,600,000 4-22-15	82 99% (-0%)
Cathedral Terrace 701 N. Ocean St. 32202	Blue Sky	\$12,500,000 1-21-16	200 98% (+0%)
Christine Cove 3730 Soutel Dr 32208	Carlisle	\$6,000,000 2006	96 100% (+2%)
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 94% (+3%)
Lofts at LaVilla 995 Water Street 32204	Vestcor	Housing Credits \$265,000 JHFA loan 10-12-16	130 100% (+0%)
Lofts at Monroe 906 W. Monroe Street 32204	Vestcor	Housing Credits \$303,750 JHFA Loan 9-29-17	108 99% (+1%)
Lofts at Jefferson 799 Water Street 32204	Vestcor	Housing Credits \$225,750 JHFA Loan 10-3-18	98
Millennia Portfolio Calloway Cove: 55% complete Palmetto Glen- 50% complete The Weldon- 57% complete Valencia Way- 47% complete	Millennia	\$81,600,000 10-24-18	768 Rolling Rehab 200/74% 74/82% 94/81% 400/85%
Mary Eaves 1250 16 th Street West 32209	Vestcor	FHFC bonds \$300,000 JHFA loan 8-19-16	80 94% (-0%)
Monaco Arms 10415 & 10525 Monaco Drive 32218	Lincoln Avenue	\$16,380,000 5-31-19	156 76% (+0%) Rolling Rehab
Mt. Carmel Gardens 5846 Mt. Carmel Terrace 32216	BREC	\$9,750,000 8-19-16	207 100% (+0%)
Oakwood Villa 8201 Kona Avenue 32211	Southport	\$12,700,000 6-30-17	200 98% (-1%)
Peyton Ridge	Vestcor	Housing Credits \$115,000 JHFA loan 4-7-16	123 98% (-2%)
Timberwood Trace 12250 Atlantic Blvd. 32225	Southport	\$16,000,000 2-1-17	224 98% (-0%)
Timuquana Park Apartments 5615 Seaboard Ave. 32244	Southport	\$4,300,000 2004	100 98% (+0%)

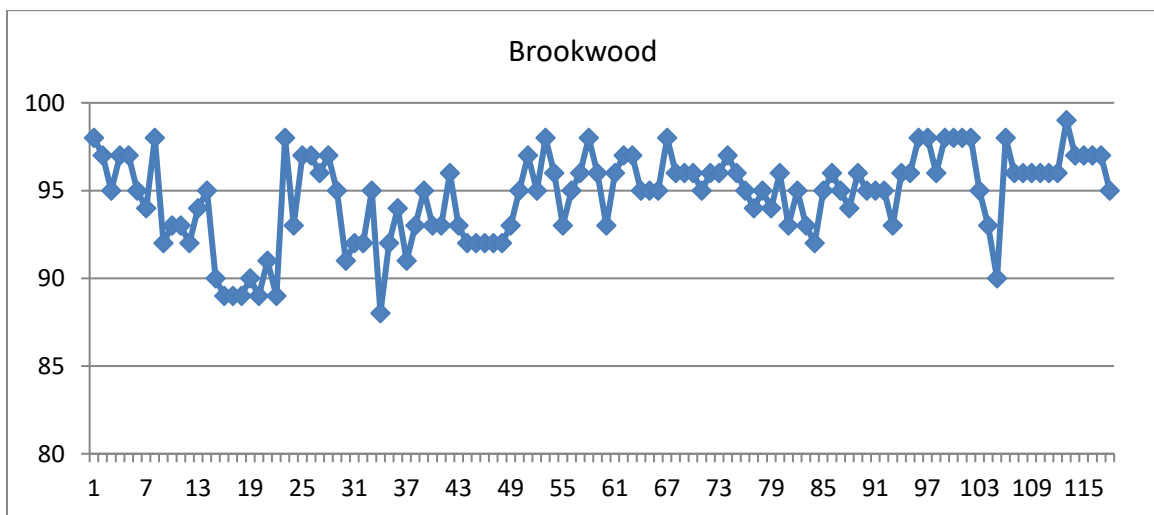
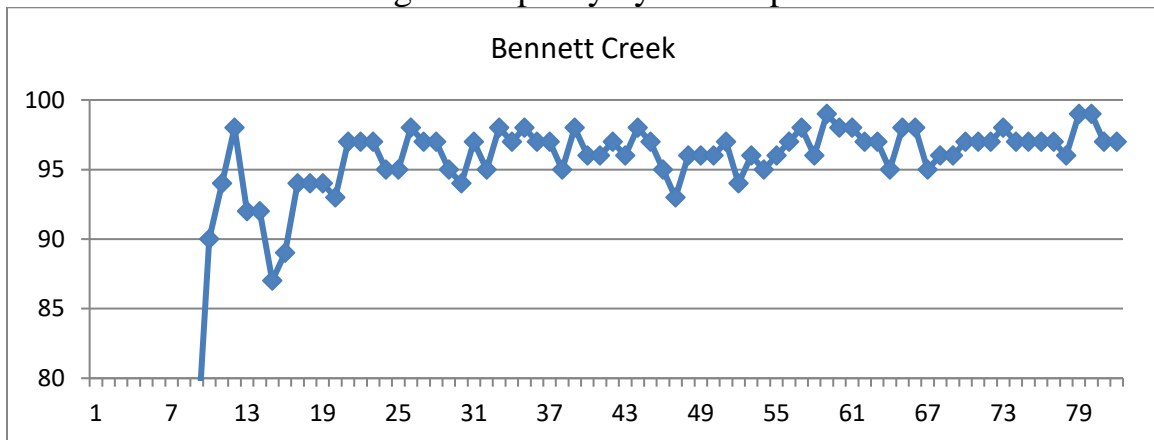
OCCUPANCY LEVELS

9-30-19

118 Month Occupancy Levels—Entire Portfolio Average Occupancy



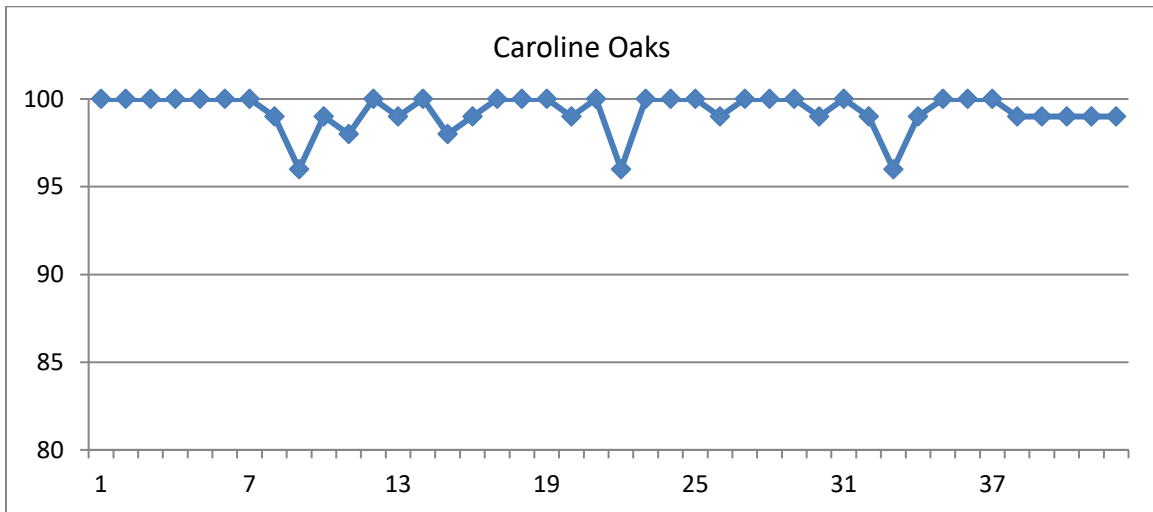
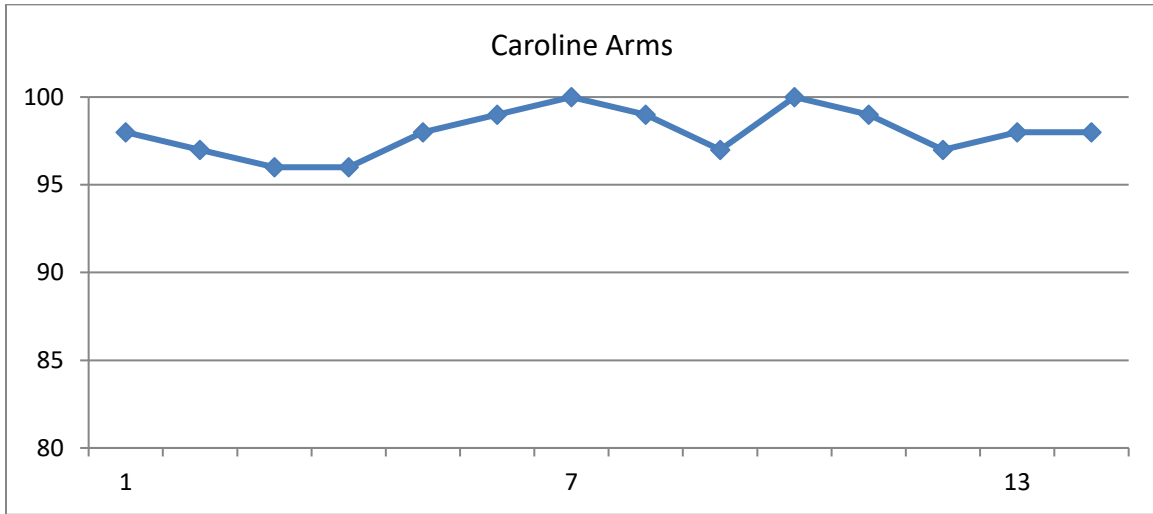
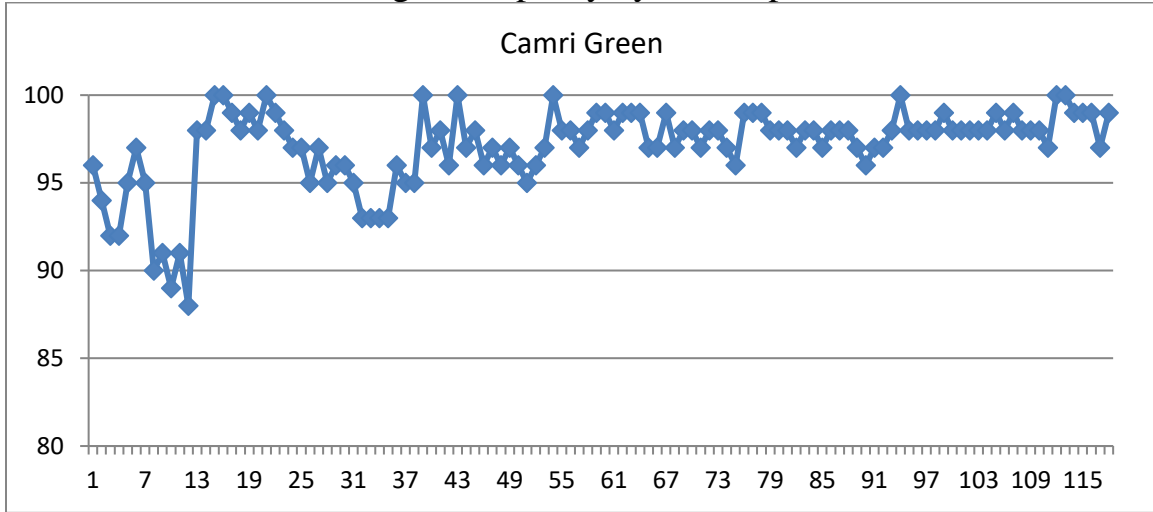
Average Occupancy by Development



OCCUPANCY LEVELS

9-30-19

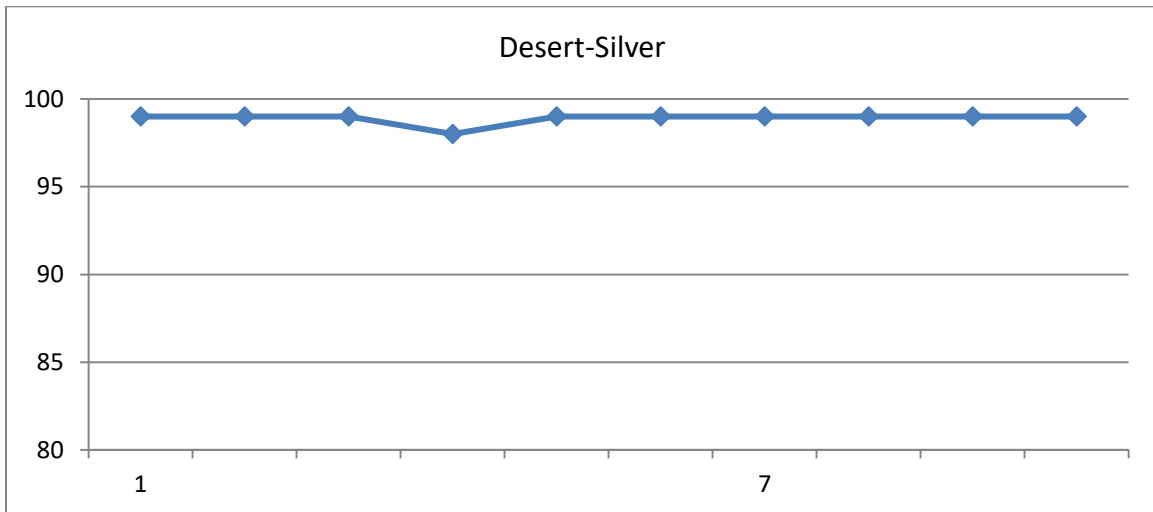
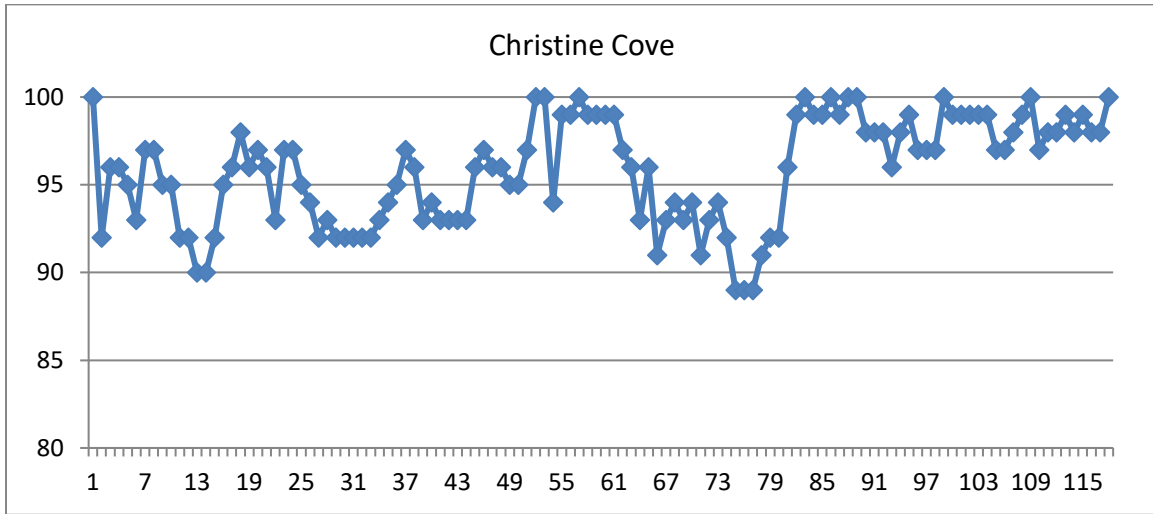
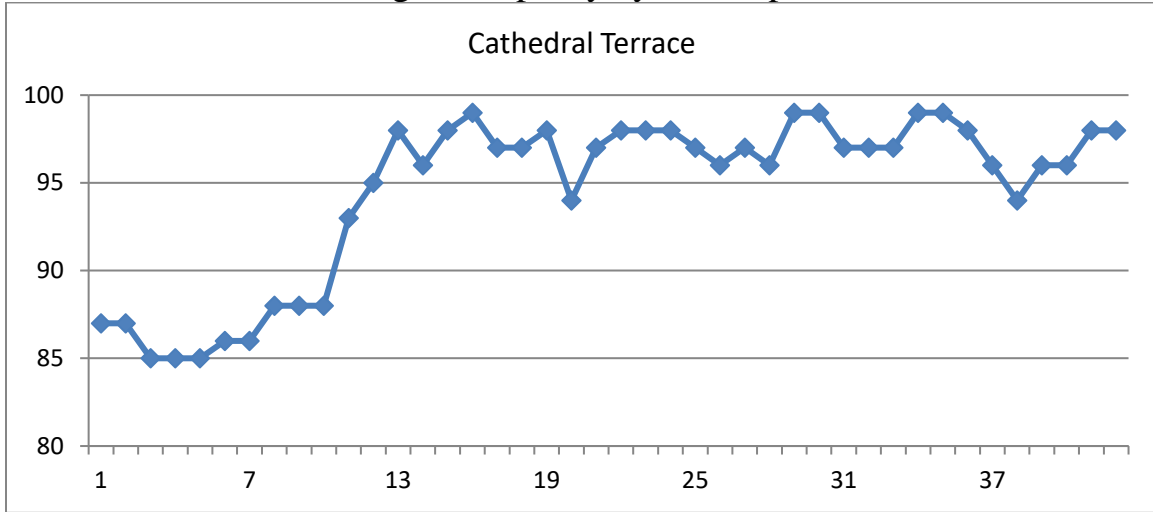
Average Occupancy by Development



OCCUPANCY LEVELS

9-30-19

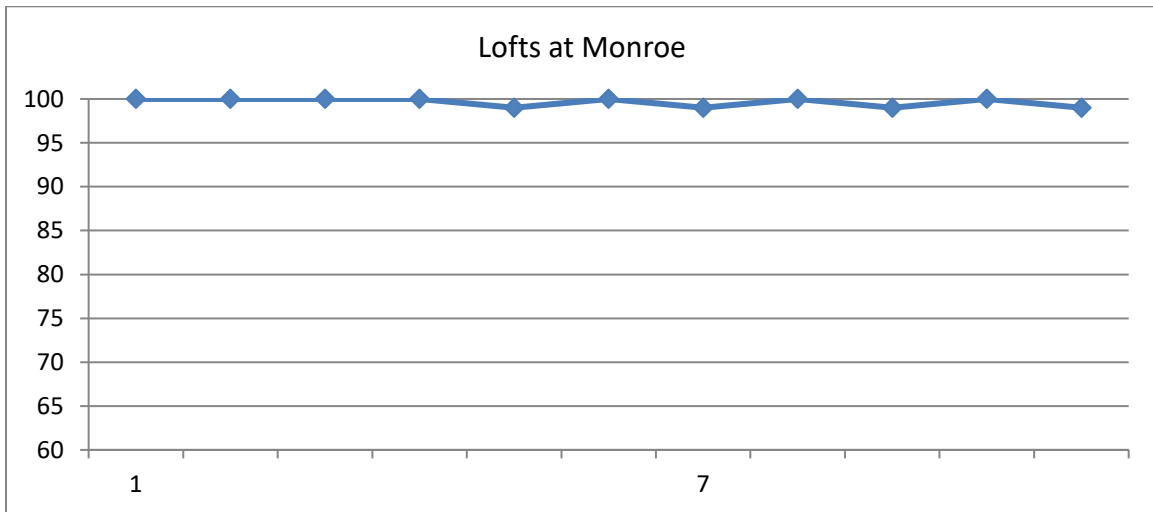
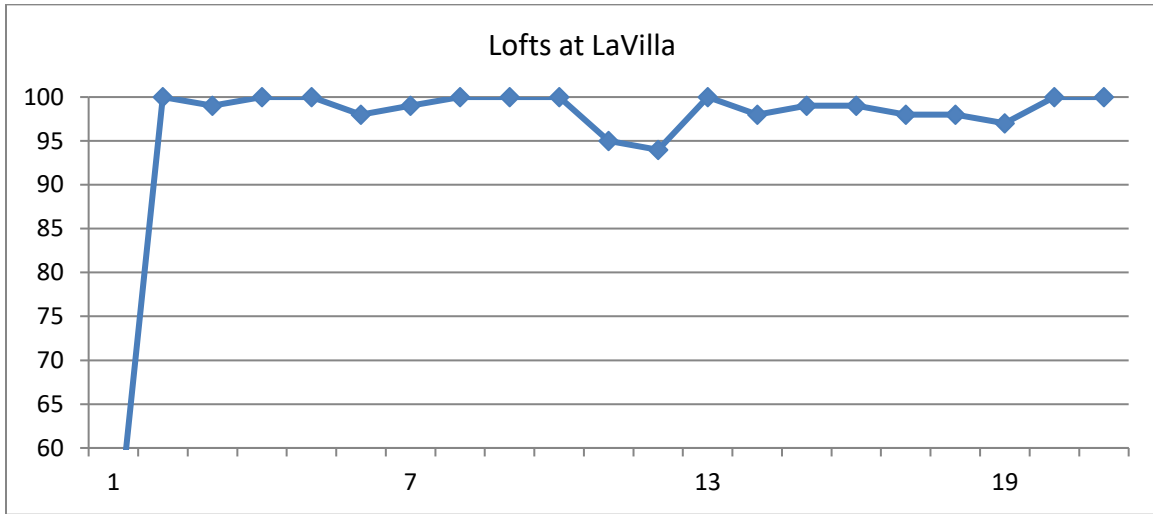
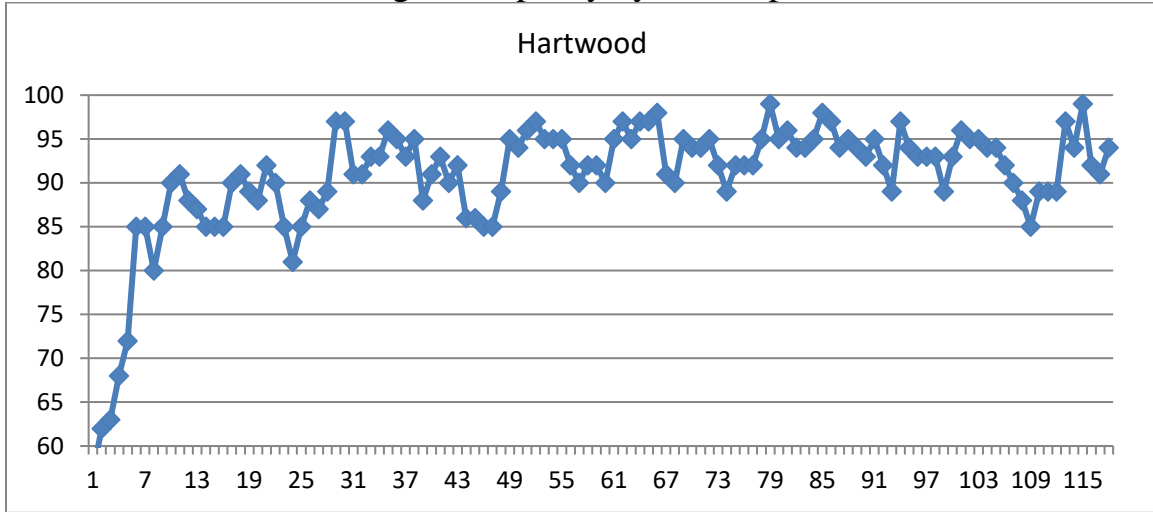
Average Occupancy by Development



OCCUPANCY LEVELS

9-30-19

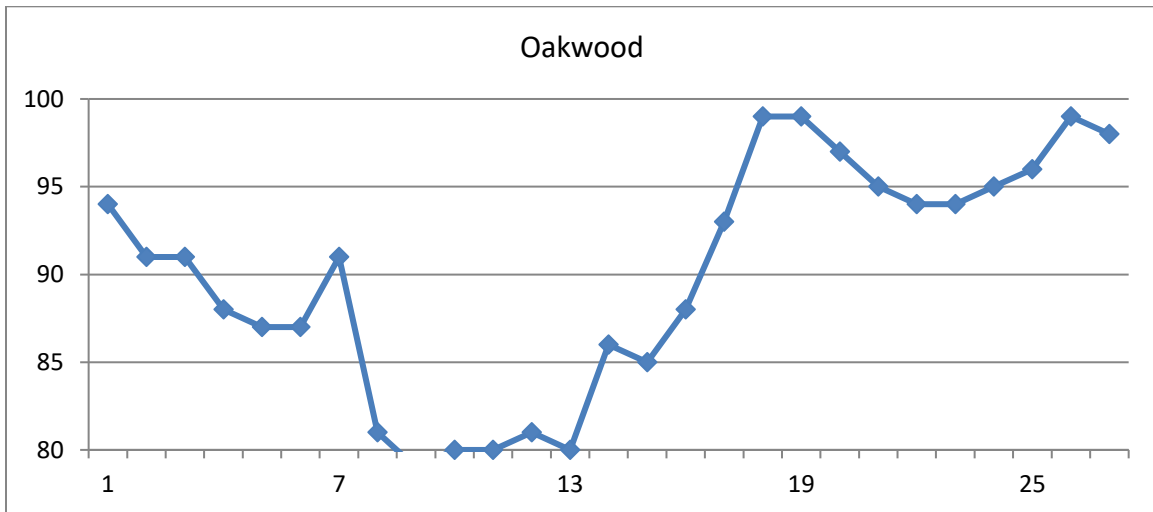
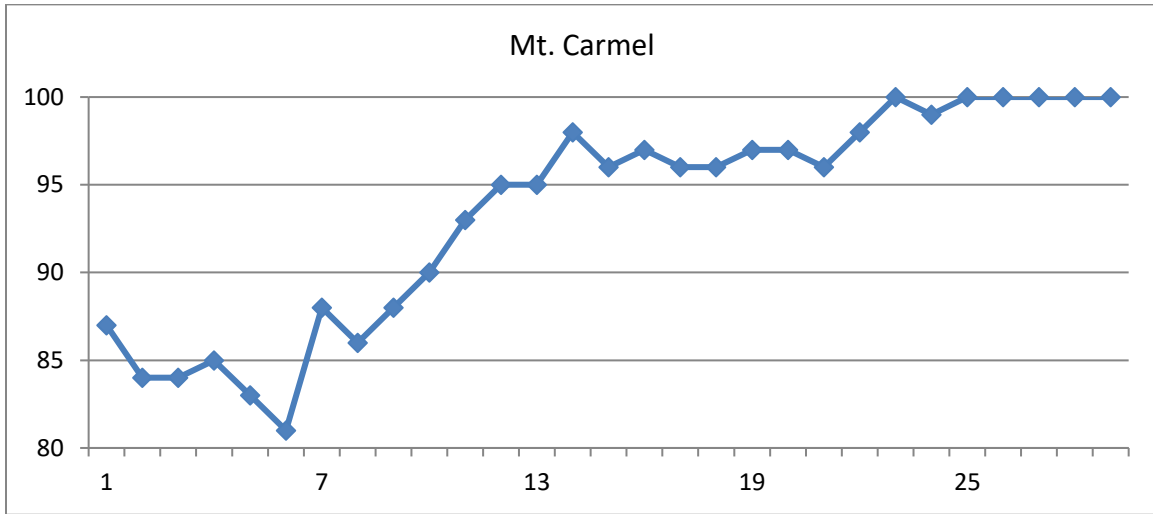
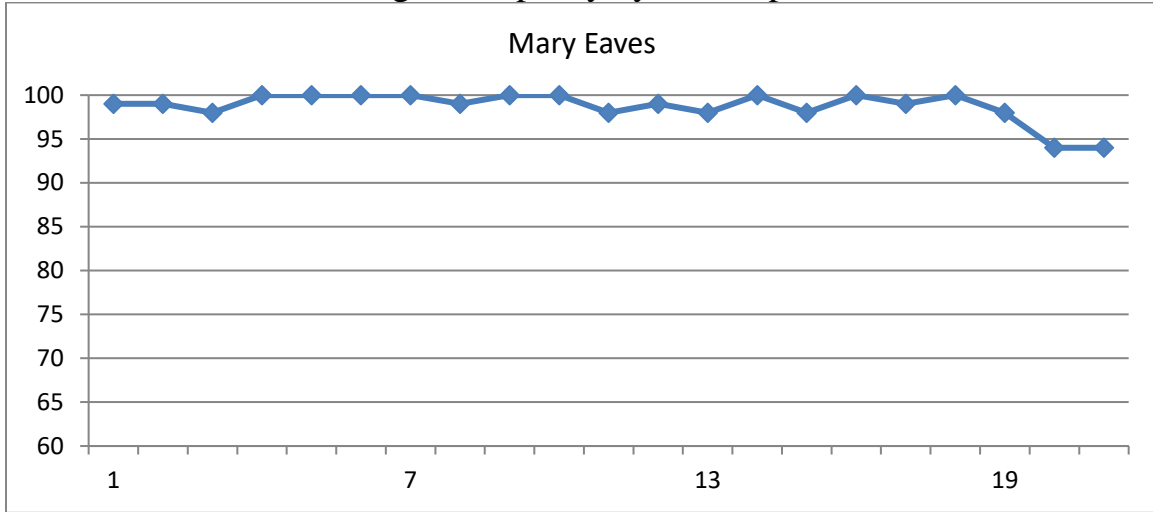
Average Occupancy by Development



OCCUPANCY LEVELS

9-30-19

Average Occupancy by Development



OCCUPANCY LEVELS

9-30-19

Average Occupancy by Development

