

JACKSONVILLE HOUSING FINANCE AUTHORITY



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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.