

JACKSONVILLE HOUSING FINANCE AUTHORITY



**JACKSONVILLE HOUSING FINANCE AUTHORITY**

**Board of Directors Meeting**

**MINUTES**

**OF**

**REGULAR MEETING**

**June 17, 2020**

**June 17, 2020: JHFA Board Meeting**  
**Noon**  
**Meeting Held Via Zoom**

**BOARD MEETING:**

Present at the meeting were:

**BOARD MEMBERS**

Barney Smith, Chair  
Spencer Cummings, Vice Chair  
Nadine Carswell, Member  
Jeffrey Rosen, Member  
Jane Scofield, Member

**PROFESSIONAL STAFF:**

Mark Hendrickson, The Hendrickson Company, Financial Advisor  
Susan Leigh, The Community Concepts Group, Financial Advisor  
Cameron Hill, RBC Capital Markets, Investment Banker  
Rhonda Bond-Collins, Bryant Miller Olive, Bond Counsel  
Lo Etienne, Bryant Miller Olive, Bond Counsel  
David Migut, City of Jacksonville Office of General Counsel  
Tricia Heintz, Bank of New York Mellon, Trustee  
Michelle Strum, Bank of New York Mellon, Trustee  
Sue Denihan, eHousing Plus, Single Family Program Administrator

**CITY STAFF:**

Laura Stagner  
Taryn Roberts  
Melody Saftner

**PUBLIC:**

Ryan Hoover, Vestcor  
Brienne Heffner, Southport  
Geoff Harlan, Blue Sky Communities  
Angela Hatcher, Blue Sky Communities  
Scott MacDonald, Blue Sky Communities  
Deandra Taylor, Blue Sky Communities  
Ely Banks, Richman Group of Florida  
Jay Woeppelj, Richman Group of Florida  
Liz Wong, Atlantic Pacific  
Tim Bramwell, Foley Lardner

**BOARD MEETING**

Chairman Smith called the meeting to order at 12:01 pm, and read a statement related to the conduct of meeting via Zoom, and methods for public participation.

### **Establishment of Quorum Via Roll Call**

Chairman Smith called the roll of Board members and all members except Ms. Bumbarger were present.

### **Minutes**

Ms. Scofield moved, with a second by Ms. Carswell, that the **Board approve the minutes of the April 15, 2020 Board meeting**. The motion passed 5-0, via roll call vote.

### **Public Comments**

Ms. Stagner reported that no public comments had been received via email.

No member of the public on the Zoom meeting asked to speak.

### **Staff Report and Financial Report**

Ms. Stagner updated the Board on JHFA financials. She explained the “Allowance for Doubtful Accounts” line item in the balance sheet, stating that it was a very conservative estimate of loan losses, and could be adjusted near the end of each fiscal year.

Ms. Stagner presented a proposed JHFA budget for FY 20-21, stating that it needed to be adopted at this meeting due to timing of submission of the Mayor’s budget to City Council. As this was not an “action item” on the agenda, Chairman Smith opened the meeting to public comment, and there was none. After discussion, Mr. Cummings moved, with a second by Ms. Scofield, that **the Board approve the proposed FY 20-21 JHFA budget**. The motion passed 5-0, via roll call vote.

Mr. Smith updated the Board on the presentation to the Finance Committee of City Council, stating that the meeting had gone well. He thanked Ms. Stagner for her work on the presentation.

Mr. Hendrickson updated the Board on the upcoming Florida ALHFA and Florida Housing Coalition conferences. He stated that the Florida ALHFA conference had no registration fee, and that the Board members would receive emails with links to sign up for various sessions—or could ask Ms. Stagner to register them. Mr. Hendrickson stated that the Florida Housing Coalition conference would be held in late August, and that Board members who wished to attend this virtual conference should notify Ms. Stagner so she could register them.

### **Board Member Conflicts**

No Board member reported a conflict.

### **Single Family**

Mr. Hendrickson updated the Board on the program, stating that interest had been lowered to 3.125%, the lowest in program history. He stated that taking into account the value of the mortgage credit certificate, the effective interest rate was 0.85%.

### **Sydney Trace Apartments**

Mr. Hendrickson presented the background and asked if there were any questions on the development or the credit underwriting report. Ms. Carswell asked about the track record of Vestcor with JHFA and about which entity would make sure that environmental issues would be dealt with appropriately. Mr. Hendrickson stated that JHFA had a satisfactory track record with Vestcor and that the JHFA’s construction servicer/monitor—Seltzer Management—would ensure that all environmental issues that were to be dealt with during construction were completed.

Ms. Bond-Collins presented the resolution granting final approvals for the Sydney Trace bond transaction. After discussion, Mr. Cummings moved, with a second by Ms. Carswell, that the Board **adopt the Resolution prepared by bond counsel giving final approvals for the Sydney Trace bond sale**. The motion passed 5-0, via roll call vote.

#### **Local Government Area of Opportunity Funding (Preference)**

Mr. Hendrickson presented background on the Local Government Area of Opportunity (“LGAOF”) process and proposed new evaluation factors. He stated that Ms. Leigh had recused herself from this item and the Local Contribution item to follow and has not participated in the deliberations of staff nor in the drafting of these sections of the memo as she has a developer client which might submit an application for the Jacksonville LGAOF or other funding.

Chairman Smith stated that he had discussed geographic targeting with a representative of the Mayor’s office and proposed that this year’s geographic targeting be developments located within the boundaries of the City of Jacksonville, pre-consolidation, 1968, except for the LaVilla and Brooklyn areas. Chairman Smith presented maps of the City boundaries and of the “carve-out” area of LaVilla and Brooklyn.

The Board discussed the existing selection criteria, the proposed additional selection criteria, and geographic targeting. Ms. Carswell expressed concerns about the mixed income selection criteria and Ms. Scofield expressed concern about the mixed-use development selection criteria. The Board expressed general agreement with the addition of the proposed interest rate on the JHFA loan and a significant difference in the number of units in the development as new selection factors, and with Chairman Smith’s proposed geographic targeting.

After discussion, Mr. Cummings moved, with a second by Ms. Scofield, that the Board **approve the selection criteria presented in the Financial Advisor Memo of June 17, 2020, not including Mixed Income or Mixed Use developments as a criteria, and with the geographic targeting of developments located within the boundaries of the City of Jacksonville, pre-consolidation, 1968, except for the LaVilla and Brooklyn areas**. The motion passed 4-0, via roll call vote (Mr. Rosen had temporarily lost his phone connection to the meeting).

Mr. Cummings moved, with a second by Ms. Carswell, that the Board **authorize publication of a NOFA and application for the LGAOF funding (FHFC RFA 2020-202), with selection criteria and geographic targeting established by the Board at this meeting, and with a due date of October 1, 2020**. The motion passed 5-0, via roll call vote.

NOTE: The selection criteria and maps are attached as Exhibits to the minutes.

#### **Local Contribution**

Mr. Hendrickson presented the background on the minimum local contribution needed for developers to apply for SAIL, HOME, 9% Housing Credits other than those allocated through the LGAOF process, and other FHFC RFA’s. After discussion, Mr. Cummings moved, with a second by Ms. Carswell, that the Board **authorize publication of a NOFA and application for the minimum local contribution on all other (not RFA 2020-202) FHFC RFA’s, including SAIL, with due date of October 1, 2020 for application related to SAIL (FHFC RFA 2020-205, or other RFA’s due to FHFC on November 20, 2020 or earlier), and later dates to be determined for RFA’s with a later FHFC due date**. The motion passed 5-0, via roll call vote.

**Bond Allocation**

Ms. Bond-Collins updated the Board on bond allocation.

**Existing Properties**

Mr. Hendrickson reported that portfolio occupancy was 97.6% as of April 30.

**2020 Legislative Update**

Mr. Hendrickson stated that the Sadowski Education Effort was continuing to work on housing funding with the message that Housing = Healthcare, so that the Governor would not veto the appropriation.

**New Business**

There was no new business.

**Public Comment**

Mr. Migut stated that Ms. Stagner had again checked for email public comments and that there were none.

**Adjournment**

Without objection, Chairman Smith adjourned the meeting at 12:48 PM.

## **Addendum: LGAOF Selection Criteria**

### **PROJECT THRESHOLD CRITERIA [from Ordinance]**

- Project must be located within Duval County, Florida;
- Applicant must provide evidence of ownership or other legal control of the project site (e.g., a contract or option to purchase the project site);
- Applicant must provide a set-aside of rental units equal to or greater than the standards for low income Housing Tax Credits or applicable FHFC Program, as the case may be; and,
- Project must have evidence of land use and zoning authorizing the use of the property for multi-family residential uses.

### **2. PROJECT SELECTION CRITERIA [from Ordinance]**

- 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.

### **3. PROJECT SELECTION CRITERIA [JHFA]**

- **The JHFA established the following funding priorities for Applicants applying for the Local Contribution in conjunction with FHFC RFA 2020-202:**
  - ✓ **Location within the boundaries of the City of Jacksonville, pre-consolidation, 1968, except for the LaVilla and Brooklyn areas.**
  - ✓ **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 and maximum interest rate**
  - ✓ **Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA**
  - ✓ **Significant difference in number of units produced**

- ✓ Note: The Board directed that the Guidelines include the following notice: Applications for developments serving the FHFC demographic groups of both Family and Elderly will be accepted. However, if the Board determines that a family development equals or exceeds an Elderly development in terms of the Board's evaluation of the criteria and priorities detailed above, the development serving the Family demographic will be selected.

MAPS WILL BE ATTACHED IN PDF FORMAT