

JACKSONVILLE HOUSING FINANCE AUTHORITY



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Board of Directors Meeting

MINUTES

OF

REGULAR MEETING

September 8, 2021

September 8, 2021: JHFA Board Meeting
Noon
Ed Ball Building and Telephonic

BOARD MEETING:

Present at the meeting were:

BOARD MEMBERS

Barney Smith, Chair
Spencer Cummings, Vice-Chair
Dee Bumbarger, Secretary
Nadine Carswell, Member
Jeffrey Rosen, Member
Jane Scofield, Member
Matt Swanson, Member

PROFESSIONAL STAFF:

Mark Hendrickson, The Hendrickson Company, Financial Advisor
Rhonda Bond-Collins, Bryant Miller Olive, Bond Counsel
Lawsikia Hodges, City of Jacksonville Office of General Counsel
Helen Feinberg, RBC Capital Markets, Investment Banker (via teleconference)
Tricia Heintz, Bank of New York Mellon, (via teleconference)

CITY STAFF:

Tom Daly
Adebisi Okewusi
Jane Bouda (via teleconference)
Melody Saftner

PUBLIC (via teleconference, except Ryan Hoover, Steve Moore, Jason Larson & Eddie Hatcher):

Ryan Hoover, Vestcor
Steve Moore, Vestcor
Jason Larson, Housing Trust Group
Eddie Hatcher
Deandre Taylor, Blue Sky Communities
Julia Rundon
George Romagnoli, Arbor Valley Communities
Dwayne Alexander, Jacksonville Housing Authority
Brianne Heffner, Southport

BOARD MEETING

Chairman Smith called the meeting to order at 12:01 pm.

Establishment of Quorum Via Roll Call

Chairman Smith stated for the record that a quorum of the Board was physically present at the meeting location, with all members physically present.

Minutes

Ms. Carswell moved, with a second by Ms. Scofield, that the **Board approve the minutes of the August 11, 2021, Board meeting.** The motion passed 7-0.

Public Comments

Mr. Larson addressed the Board on the proposed Normandy Trace development. Mr. Hatcher addressed the Board on the work of his group. Mr. Hoover updated the Board on the status of various Vestcor developments.

Staff Report and Financial Report

Mr. Daly updated the Board on the August 31, 2021, JHFA financial statements.

Board Member Conflicts

No Board member reported a conflict. Note: Ms. Susan Leigh of Community Concepts Group (co-Financial Advisor) filed written disclosures of conflicts related to SAIL developments and Southport.

Bond Allocation

Mr. Hendrickson and Ms. Bond-Collins updated the Board on the increasing scarcity of bond allocation, noting that the State Pool was oversubscribed and that the JHFA could not count on future allocation outside of its roughly \$50 million regional allocation.

Single Family Program

Mr. Hendrickson updated the Board on the status of the single family loan program.

MF Bonds New Inducements

Mr. Hendrickson presented a proposed NOFA for bond applications related to the 2022 bond allocation. After discussion, Mr. Rosen moved, with a second by Ms. Carswell, that the Board **approve the proposed Inducement Resolution for Village at Southside.** The motion passed 7-0. Mr. Rosen then moved, with a second by Ms. Scofield, that the Board **approve the proposed Inducement Resolution for Tori Meadows.** The motion passed 7-0.

Local Government Area of Opportunity Funding—Parkview Commons

Mr. Hendrickson updated the Board on the status of the Parkview Commons development, referring the Board to the letter from the City to the developer rescinding its HOME preliminary approval. Mr. Hendrickson referred the Board to the FA memo, with an explanation of how the loss of City funding was a material change to the application submitted to the JHFA, involving an important selection criterion, and causing the Applicant to no longer meet the requirements of FHFC for Local Government Area of Opportunity Funding. Mr. Rosen inquired as to the reason for the action by the City and Mr. Daly responded. After discussion, Mr. Cummings moved, with a second by Ms. Scofield, that the Board **rescind the \$110,000 loan authorization for the Parkview Commons project; provide notification to the Applicant and FHFC; and make a written request to FHFC that any returned or recaptured Housing Credits be allocated to another development within Duval County, Florida.** The motion passed 7-0.

Local Contributions for Applicants Seeking SAIL Funding

Mr. Hendrickson presented an analysis and recommendations related to the requests for local contributions needed for application for SAIL funding. The Board discussed their review of the applications. After discussion, Ms. Scofield moved, with a second by Mr. Rosen, that the Board:

For Tori Meadows:

- **Approve the loan subject to the condition that the City of Jacksonville approve the developer's rezoning prior to the JHFA/City's execution of the FHFC local contribution form.**
- **Approve local government contribution of \$75,000 loan**
- **1% interest rate, interest only payments (cashflow), due in full earlier of 20-year term or termination of affordability period**
- **All loan commitment and loans governed by Ordinance 2014-185-E, as applicable.**
- **Authorize the Chairman to sign loan commitment letter, letter to FHFC confirming that a complete bond application has been received by JHFA 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;**
- **Loan to be evidenced by Promissory Note and Mortgage, with anticipated subordinate position behind the first mortgage and all FHFC loans (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 commitments made by the Applicant (City programs, length of set-aside, income restrictions).**
- **The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.**
- **Each loan shall be evidenced by a promissory note in the full-face amount of the loan, and secured in its entirety by a subordinate lien mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.**
- **The loan shall not be disbursed until the following minimum due diligence is received and satisfactory (however, additional requirements may be necessary for the project): mortgagee title insurance policy (or a marked-down commitment for the same), boundary survey certified to the JHFA, environmental site assessments certified to the JHFA, and evidence of concurrency and all permits authorizing construction of the project.**
- **Loan commitment expiration date of December 31, 2022**

The motion passed 7-0.

The Board discussed the Normandy Trace application at length, focusing on the number of units, the location of the development, and related management issues. Ms. Carswell moved, with a second by Ms. Bumbarger, that the Board

For Normandy Trace

- **Approve local government contribution of \$75,000 loan**
- **1% interest rate, interest only payments (cashflow), due in full earlier of 20-year term or termination of affordability period**
- **All loan commitment and loans governed by Ordinance 2014-185-E, as applicable.**
- **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;**
- **Loan to be evidenced by Promissory Note and Mortgage, with anticipated subordinate position behind the first mortgage and all FHFC loans (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 commitments made by the Applicant (City programs, length of set-aside, income restrictions).**

- The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.
- Each loan shall be evidenced by a promissory note in the full-face amount of the loan, and secured in its entirety by a subordinate lien mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.
- The loan shall not be disbursed until the following minimum due diligence is received and satisfactory (however, additional requirements may be necessary for the project): mortgagee title insurance policy (or a marked-down commitment for the same), boundary survey certified to the JHFA, environmental site assessments certified to the JHFA, and evidence of concurrency and all permits authorizing construction of the project.
- Loan commitment expiration date of December 31, 2022

After discussion on the motion, the motion failed by a vote of 1 (Ms. Carswell) to 6 (all others).

Mr. Larson stated that the Applicant could made the development work at the 200-unit level.

Mr. Swanson moved, with a second by Mr. Cummings, that the Board reconsider the vote on the Normandy Trace loan. The motion to reconsider passed 7-0.

Ms. Scofield moved, with a second by Mr. Swanson, that the Board, **for the Normandy Trace transaction, amend the original motion to add a condition that the development could not exceed 200 units, and to adopt the motion as amended.** The motion to amend and adopt passed by a vote of 7-0. The full text of the amended motion:

For Normandy Trace

- **Development Limited to 200 units**
- **Approve local government contribution of \$75,000 loan**
- **1% interest rate, interest only payments (cashflow), due in full earlier of 20-year term or termination of affordability period**
- **All loan commitment and loans governed by Ordinance 2014-185-E, as applicable.**
- **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;**
- **Loan to be evidenced by Promissory Note and Mortgage, with anticipated subordinate position behind the first mortgage and all FHFC loans (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 commitments made by the Applicant (City programs, length of set-aside, income restrictions).**
- **The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.**
- **Each loan shall be evidenced by a promissory note in the full-face amount of the loan, and secured in its entirety by a subordinate lien mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.**
- **The loan shall not be disbursed until the following minimum due diligence is received and satisfactory (however, additional requirements may be necessary for the project): mortgagee title insurance policy (or a marked-down commitment for the same), boundary survey certified**

to the JHFA, environmental site assessments certified to the JHFA, and evidence of concurrency and all permits authorizing construction of the project.

- **Loan commitment expiration date of December 31, 2022**

After the adoption of the revised motion, Ms. Carswell suggested that the Board consider disclosing a maximum cap on the number of units when soliciting future applications for funding.

Gap Financing NOFA and Application

Mr. Hendrickson presented a proposed NOFA and Application for Gap Financing. Ms. Hodges stated that she had proposed language for the NOFA limiting contact with Board members between issuance of the NOFA and selection of Applicants for funding, and Mr. Hendrickson stated that Ms. Carswell had provided technical comments correcting errors within the drafts. After discussion, Mr. Cummings moved, with a second by Ms. Scofield, that the Board **approve draft Gap Financing NOFA and Application, subject to changes proposed by Ms. Hodges and Ms. Carswell, and authorize publication on the JHFA website.** The motion passed 7-0.

Caroline Arms Change of General Partner

Mr. Hendrickson and Ms. Bond-Collins presented the request from the owner for a change of the General Partner, and a Resolution prepared by bond counsel. After discussion, Ms. Carswell moved, with a second by Ms. Scofield, that the Board **approve the Resolution related to the change of General Partner for Caroline Arms.** The motion passed 7-0.

Monaco Arms Income Averaging

Mr. Hendrickson and Ms. Bond-Collins presented the request from the owner for a change to the unit mix for income averaging and a Resolution prepared by bond counsel. After discussion, Mr. Cummings moved, with a second by Ms. Scofield, that the Board **approve the Resolution related to the LURA Amendments for income averaging for Monaco Arms.** The motion passed 7-0.

Sadowski Education Effort

Mr. Hendrickson updated the Board on the upcoming 2022 legislative session and stated that the Florida Realtors had withdrawn their proposed constitutional amendment on housing funding.

Adjournment

Without objection, Chairman Smith adjourned the meeting without objection at 1:14 PM.