

JACKSONVILLE HOUSING FINANCE AUTHORITY



JACKSONVILLE HOUSING FINANCE AUTHORITY

Board of Directors Meeting

MINUTES

OF

REGULAR MEETING

December 7, 2022

October 19, 2022: JHFA Board Meeting
Noon
Ed Ball Building

BOARD MEETING:

Present at the meeting were:

BOARD MEMBERS

Barney Smith, Chair (via telephone)
Spencer Cummings, Vice Chair
Nadine Carswell, Secretary
Matt Swanson, Treasurer (via telephone)
Dee Bumbarger
Amelyn Morodomi
Jeff Rosen

PROFESSIONAL STAFF:

Mark Hendrickson, The Hendrickson Company, Financial Advisor
Susan Leigh, Community Concepts Group, Financial Advisor
Rhonda Bond-Collins, Bryant Miller Olive, Bond Counsel
Helen Feinberg, RBC Capital Markets, Investment Banker
Lawsikia Hodges, City of Jacksonville Office of General Counsel
Tomeshia Harman, BNY Mellon

CITY STAFF:

Tom Daly, Chief, Housing and Community Development Division
Melody Duncan, Executive Assistant to Tom Daly
Adebisi Okewusi, Director of Finance, Housing and Community Development Division

PUBLIC

Ryan Hoover, Vestcor
Steve Moore, Vestcor
Andy Fink, Ability Housing

BOARD MEETING

Vice-Chairman Cummings called the meeting to order at 12:03 pm.

Establishment of Quorum Via Roll Call

Vice-Chairman Cummings stated for the record that a quorum of the Board was physically present at the meeting location, with five members physically present. **Without objection, the five members physically present permitted Chairman Smith to attend by telephone.** [See later action on Treasurer Swanson.]

Minutes

Ms. Carswell moved, with a second by Mr. Rosen, that the **Board approve the minutes of the October 19, 2022, Board meeting.** The motion passed 6-0.

Public Comments

There were no public comments.

JHFA Financials

Mr. Daly updated the Board on the November 30, 2022, JHFA financial statements.

Board Member Conflicts

The Board reported no conflicts.

Treasurer Swanson Report

Mr. Hendrickson presented a written report from Treasurer Swanson on the status of JHFA subordinate loans and their payment status. He noted that Mr. Swanson suggested a special meeting to deal with this issue, and that he did not have enough information to make a recommendation at this time. Ms. Carswell indicated that she favored a special meeting. Mr. Rosen suggested that future subordinate loans have an annual payment so that the cash flow analysis would need to be performed only once per year.

Single Family—Down Payment Assistance Amounts

Mr. Hendrickson stated that the potential single family bond issue had been postponed, because the effective mortgage rate that could be achieved with the non-bond program in conjunction with MCC's produced a lower mortgage rate than a bond issue. He stated that the Board had authorized an increase in the DPA amount to \$20,000 contingent upon a bond issue. The Board discussed raising the DPA amount with the current program.

After discussion, Ms. Bumbarger moved, with a second by Ms. Carswell, that the Board **authorize an increase in the amount of each DPA loan to \$20,000, effective immediately.** The motion passed 6-0.

Westgate Apartments

Mr. Hendrickson presented the background on the Westgate Apartments bond application with a request for a waiver from the Homeownership Opportunity Program. Ms. Bond-Collins presented an Inducement Resolution. After discussion, Ms. Bumbarger moved, with a second by Ms. Carswell, **that the Board approve the Westgate Apartments Inducement Resolution and the requested waiver.** The Resolution and waiver were approved 6-0.

Local Government Area of Opportunity Applications

Mr. Hendrickson presented an analysis of the LGAOF applications. **Ms. Carswell requested that staff hold a workshop which would also be posted to the JHFA website providing pre-proposal guidance to developers on how to fill out JHFA applications.** After discussion, Chairman Smith moved, with a second by Mr. Rosen, that the Board:

- **Select Madison Palms to receive LGAOF designation**
- **Offer The Village at Southside required local contribution to serve as a backup.**
- **All loan commitments and loans governed by Ordinance 2014-185-E.**
- **Authorize the Chairman to sign loan commitment letters 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 include a Land Use Restriction Agreement with all Applicant commitments (City programs, length of set-aside, income restrictions).

- If no loan, all Applicant commitments to be included in recorded Land Use Restriction Agreement.
- Loan commitment expiration dates of December 31, 2023.

The motion was approved 6-0.

Without objection, the five members physically present permitted Treasurer Swanson to attend by telephone.

Gap Financing Applications

Mr. Hendrickson presented an analysis of the GAP financing applications. proposed GAP financing NOFA and Application. After discussion, Ms. Carswell moved, with a second by Mr. Rosen, that the Board:

- **Select Lofts at Cathedral and Lofts at San Marco East for JHFA funding of \$2.5 million each.**
- **Loan terms for Lofts at Cathedral—20-year loan, 1% interest paid semi-annually, hard-pay loan interest and balloon in 20 years**
- **Loan terms for Lofts at San Marco East—22-year loan, 1% interest paid annually, soft-pay (cashflow) loan interest (behind first mortgage and FHFC loans) and balloon in 22 years**
- **All loan commitments and loans governed by Ordinance 2014-185-E.**
- **Authorize the Chairman to sign loan commitment letters, 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.**
- **Loans 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 commitments (City programs, length of set-aside, income restrictions).**
- **Loan commitment expiration dates of June 30, 2023.**

The motion was approved 7-0.

2023 JHFA Meeting Calendar

Mr. Hendrickson presented a proposed 2023 JHFA Meeting Calendar, with scheduled meetings on the 3rd Wednesday of each month, except for a combined November-December meeting on December 6, 2023. He stated that some meetings would likely be cancelled when appropriate. After discussion, Mr. Rosen moved, with a second by Chairman Smith, that the Board **approve the proposed 2023 JHFA Meeting Calendar. The motion was approved 7-0.**

Old Business: Occupancy, State Legislative Update and Rental Financings

Mr. Hendrickson presented the Occupancy Report and explained the reason for the low occupancy reported at Lofts at LaVilla last month.

Mr. Hendrickson presented the legislative update.

Mr. Hendrickson reported that the Mandarin Trace bond issue closed November 30. Ms. Bond-Collins explained the reasons for the delay of the Oak Hammock closing until the first-quarter 2023.

Mr. Hendrickson presented a chart that showed the income levels served by each JHFA financing over the past five years.

Chairman Smith discussed the Quality of Life Committee and his presentation to that group.

New Business

There was no new business.

Adjournment

On a motion by Ms. Carswell, with a second by Mr. Rosen, the Board voted unanimously to adjourn the meeting at 1:06 PM.