

2019 Annual Report



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JACKSONVILLE HOUSING FINANCE AUTHORITY

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About the Jacksonville Housing Finance Authority

The Jacksonville Housing Finance Authority (JHFA) was created in 1978 as the Duval County Housing Finance Authority (DCHFA). The JHFA's position within City government has been altered several times over the past 40 years, most recently in 2014. The JHFA is a dependent special district, governed by a seven-member Board of Directors appointed by the Mayor (4) and City Council (3).

The JHFA does not receive operating appropriations from the City. The JHFA funds all its operations from revenues generated from its bond and loan programs. The JHFA is essentially a public purpose lending institution that generates its loans from the proceeds of tax-exempt bonds and program income.

The JHFA finances loans to first time homebuyers and to developers who build or rehabilitate rental housing for occupancy by eligible families. Since its inception, the JHFA has provided over \$765 million in funding for the creation of affordable housing. This funding has created over 7,300 units of affordable rental housing and thousands of new homeownership opportunities.

Market Driven Approach

All the JHFA's programs are market driven. The JHFA must structure programs that work from an economic perspective – not because the law says they must, but because the private sector would not invest their money in bonds or loans that are improperly structured or developments that are not feasible.

Board of Directors

The JHFA is governed by a seven-member Board of Directors.

Name	# of Terms	Term Ends / Resolution	Race	Sex	Notes
William “Tripp” Gulliford (Chair)	2 of 2	11/30/2019 (2015-832)	W	M	Mayoral Appointment
Spencer Cummings (Vice-Chair)	1 of 2	06/30/2018 (2019-341)	W	M	Mayoral Appointment
Delilah R. “Dee” Bumbarger (Secretary)	1 of 2	06/30/2020 (2016-689)	W	F	Council Appointment
Gloria “Nadine” Sherman Carswell	1 of 2	06/30/2019 (2018-360)	B	F	Council Appointment
James P. Citrano, Jr.	1 of 2	06/30/2020 (2018-140)	W	M	Mayoral Appointment
Jeffrey Rosen	1 of 2	06/30/2021 (2016-750)	W	M	Mayoral Appointment
Jane L. Scofield	1 of 2	06/30/2022 (2018-736)	W	F	Council Appointment

Strategic Partnerships

Partnerships with Other Counties

The JHFA partners with Brevard, Clay, and Hillsborough Counties to facilitate the pooling and sale of mortgages originated in the home ownership programs of the four counties. By pooling mortgages, marketable volume is achieved more quickly, reducing interest rate risk and quick return of the JHFA's capital investment (for use in making new loans). The JHFA has executed 134 sales for a profit of \$1,509,035 from the sales—funds that are used to make the down payment assistance loans.

Partnership with Florida Housing Finance Corporation (FHFC)

Through the association that represents all local HFA's, including the JHFA, we were able to negotiate an agreement with FHFC wherein the State funded \$3.18 million of down payment assistance loans in Jacksonville. These 212 loans had first mortgages of \$30,008,575, and the sale of the first mortgage loans (MBS) generated a profit of over \$675,000 to the JHFA.

In response to an ongoing request from the JHFA, FHFC allowed Duval County to establish a "Qualifying Financial Assistance Funding Preference" pilot program which enabled the JHFA the opportunity to select its preferred project by allocating a higher level of local government support commitment in 2015. That program was extremely successful and has now been formalized for other large and medium sized programs in the FHFC programs.

FHFC again kept the preference system for the most recent 9% Housing Tax Credit Request for Applications. An applicant that receives "Local Government Area of Opportunity Funding" receives a preference in funding and the applicant automatically receives the maximum score for "proximity" to services and is not penalized if it is within a defined distance from other developments that are under construction or have not yet stabilized. Additional information on this important partnership is included under the section titled Local Government Support Contributions.

Sadowski Education Effort

The JHFA continues to be an active participant in the effort to secure state funding for housing programs—funding that comes directly to the City (State Housing Initiative Partnership (SHIP) Program) and to rental developments being built or rehabilitated within the City (State Apartment Incentive Loan (SAIL) Program). The SHIP allocation to Jacksonville for State Fiscal Year 2018-2019 was \$1.294 million and for State Fiscal Year 2019-2020 is \$1.356 million—funds that are used for activities such as permanent supportive housing, owner-occupied rehabilitation and down payment assistance. Since its inception in 2011, the Sadowski Education Effort has resulted in \$20.6 million of SHIP funds and almost \$33.8 million of SAIL funds coming to Jacksonville.

Rental Development

The JHFA encourages the development of affordable rental housing through the issuance of Mortgage Revenue Bonds and the provision of local government support commitments, and other forms of subordinate lending. Over the history of the JHFA and its predecessor agency the Duval County HFA, the JHFA has originated bonds or other loans to developers

who built or rehabilitated rental housing. The JHFA and its private sector partners closed on four bond-financed multi-family projects in fiscal year 2019.

Developers seeking to participate in FHFC's various funding cycles are required to obtain local government support contributions as a component of their application. The JHFA provided local government support contributions for the following projects. Without the JHFA's contribution, the federal and state resources associated with the developments would not have been secured for Jacksonville. Moreover, Jacksonville would have forgone the associated overall economic benefit, construction jobs and expansion of affordable housing. Some recent developments are identified below.

Houston Street Manor

In the 2014 cycle, applicants for 9% Housing Credits had to obtain local government contributions with a net present value of \$75,000. This required a loan of \$115,000. FHFC officially awarded the Housing Credits for Duval County to Houston Street Manor. The JHFA has an outstanding loan commitment of \$115,000 to this development.



Lofts at LaVilla

The Lofts at LaVilla project was selected as the JHFA's Qualifying Financial Assistance Funding Preference project for the Fall/Winter 2015 FHFC cycle. This \$23.4 million project involved the new construction of a 120-unit mid-rise residential family development located at 906 West Bay Street.

Lofts at Monroe

The Lofts at Monroe project was selected as the JHFA's Local Government Area of Opportunity Funding project for the Fall/Winter 2016 FHFC cycle. This \$20.2 million project involved the new construction of a 108-unit mid-rise residential family development located at 1000 West Monroe Street.





Mary Eaves Senior Village

In October 2015, the JHFA provided a \$300,000 HOME match commitment to the Mary Eaves Senior Village project so that the project could compete for approximately \$5.3 million in State HOME funds. This project was previously supported with City Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP) funding.

The Waves

The Waves project was awarded a Local Government Support Contribution in order to apply to the Fall/Winter 2017 SAIL cycle. This \$23.4 million project involves the new construction of a 15 building, 127-unit, scattered site residential family development in Jacksonville Beach and will also utilize JHFA bonds. The bond transaction closed in September 2019 and the project is currently in the construction phase.



Lofts at Jefferson Station

The Lofts at Jefferson Station project was selected as the JHFA's Local Government Area of Opportunity Funding project for the Fall/Winter 2017 FHFC cycle. This \$20.9 million project involves the new construction of a 98-unit mid-rise residential family development located at 799 Water Street. The development is currently leasing.

Lofts at Brooklyn

The Lofts at Brooklyn project was selected as the JHFA's Local Government Area of Opportunity Funding project for the Fall/Winter 2018 FHFC cycle. This 133-unit development will cost \$29 million and involves the new construction mid-rise residential family development located on Spruce Street. The development is a mix of affordable and workforce units.



*Picture Unavailable
Currently in Design*

Lofts at Murray Hill

The Lofts at Murray Hill project was selected as the JHFA's Local Government Area of Opportunity Funding project for the Fall/Winter 2019 FHFC cycle. This 117-unit development will cost \$24 million and involves the new construction of mid-rise residential family housing located at 840 Edgewood Avenue.

Sydney Trace

The Sydney Trace project was selected in the JHFA's 2019 Gap Funding cycle and will also use JHFA Multi-Family bonds and City of Jacksonville HOME funds. This 192-unit development will cost \$31 million and involves the new construction of garden-style residential family housing located in the Oakleaf area.

*Picture Unavailable
Currently in Design*



Ashley Square

The Ashley Square project was selected in the JHFA's 2019 Gap Funding cycle and will also use JHFA Multi-Family bonds and City of Jacksonville HOME funds. This 120-unit development will cost \$26 million and involves the new construction of mid-rise residential elderly housing located at 127 East Ashley Street.

Homeownership

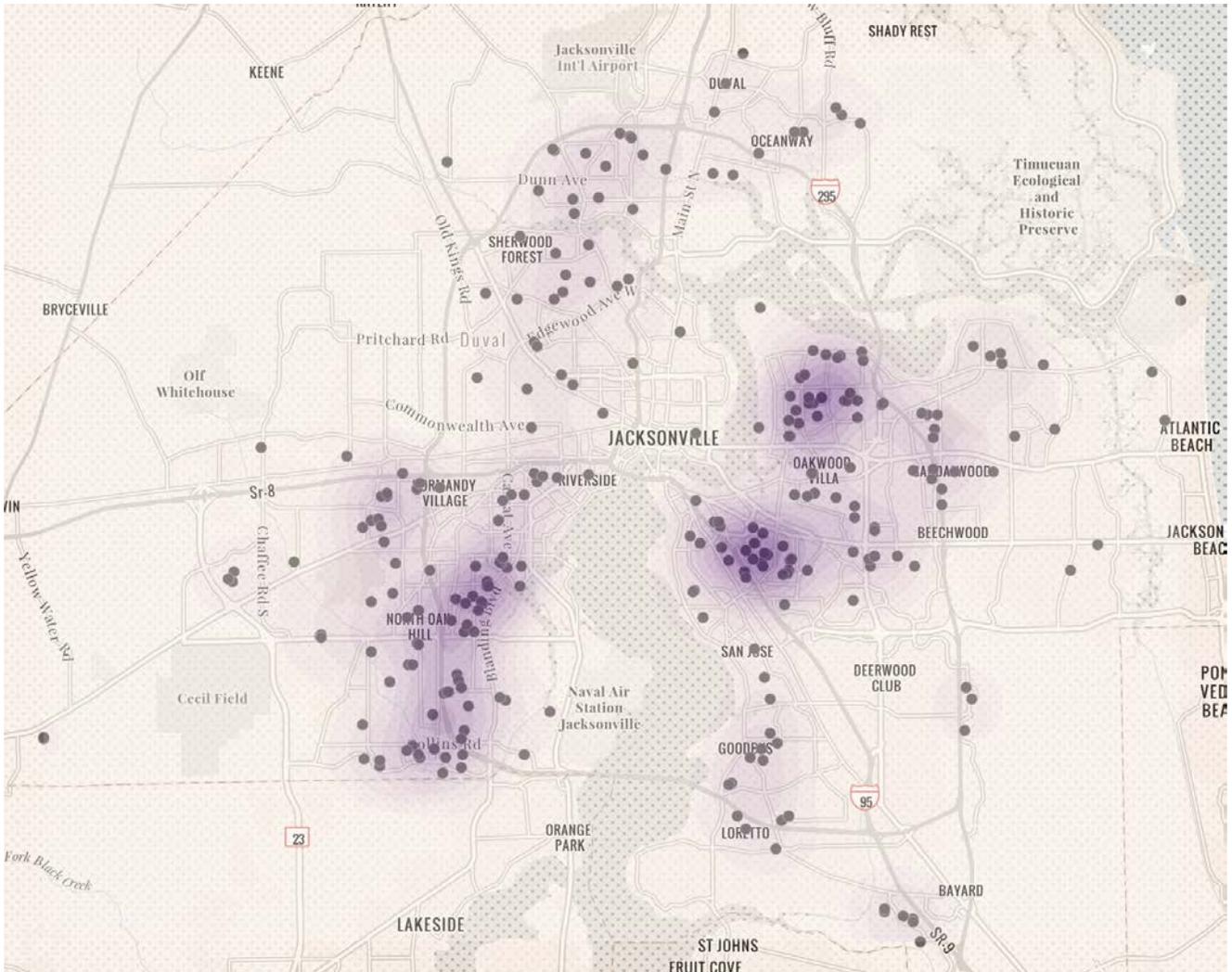
The JHFA's Single Family Loan Program, launched in 2014, does not utilize tax-exempt bonds. Instead, the JHFA is offering affordable 30-year fixed-rate mortgages through participating lenders, and then selling those mortgages. This allows limited JHFA cash reserves to serve as a revolving fund for a continual loan program.

In addition to the fixed rate mortgage (currently 4.125%), the home buyers also receive a mortgage credit certificate (MCC) valued at up to \$2,000 per year. The MCC is a federal tax credit (not deduction) and may be claimed each year that the buyer continues to live in the home. Also, in order to help each borrower achieve home ownership, JHFA provides a \$7,500 down payment assistance loan.

Since inception, this program has generated 493 first mortgage loans totaling over \$66 million. The program has distributed MCCs totaling \$27.7 million to date. The average family in the program had a 37-year old head of household, with total family income of \$47,185, and who purchased a \$139,965 priced home.

Since most borrowers can claim the full \$2,000 refundable credit per year, these families will get a collective annual tax savings of \$786,000. This is the functional equivalent of having provided each of the borrowers with a 2.25% first mortgage rate.

Throughout the life of the program, 97% of the homes purchased have been existing housing stock, with the vast majority (93%) being single-family detached houses. The below map represents the distribution of these loans throughout the county since its inception.



Compliance Reports

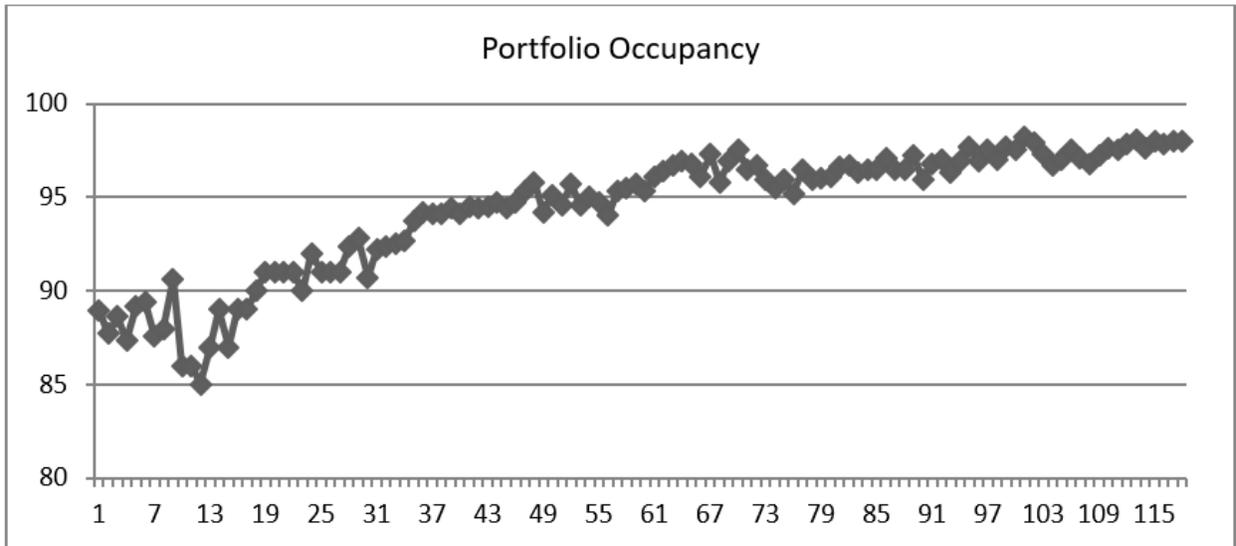
The information in this section provides information regarding the compliance and servicing status of the projects in the JHFA portfolio.

Active Rental Developments

Project Name & Location	Developer	Bonds Issued & Date	Total 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%)

Portfolio Average Occupancy

All developments within the JHFA's portfolio are in compliance. The current weighted average occupancy of the portfolio is 98.0%. The following chart tracks portfolio occupancy over the last nine years. Occupancy hit a low point during the housing crisis as persons without employment doubled up in apartments or moved back to family residences. With job creation and new household formation, demand for the existing units has risen dramatically and continues to be strong.



Fiscal Year 2020 Goals and Objectives

The JHFA will continue to aggressively seek partnerships with the private sector—lenders and developers—to create affordable housing opportunities for the citizens of Jacksonville. The JHFA will also continue its support for the Sadowski Education Effort to make sure that resources such as SHIP and SAIL are funded, and tax-exempt housing bonds are protected. While doing all of this, JHFA will continue to structure programs to create the greatest amount of affordable housing for the most efficient costs.

Contact Information

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