

From: Mark Hendrickson
Sent: Wednesday, June 14, 2017 10:08 AM
To: Trey Price; Ken Reecy; 'Nancy Muller'
Cc: Tripp Gulliford; Barney Smith (barney@smithyoungco.com)
Subject: Comments from JHFA

Trey

Attached are comments and backup materials related to the workshop and Board decisions that will follow and the allocation of housing credits.

These comments are from the Chair of the Jacksonville HFA, support the concept of the local preference, and explain exactly why that process resulted in demonstrably superior results than the lottery. They also show the detailed and policy based application process and JHFA analysis of proposed developments.

I am happy to answer any follow-up questions.

Mark Hendrickson
1404 Alban Avenue
Tallahassee, FL 32301
850.671.5601

JACKSONVILLE HOUSING FINANCE AUTHORITY



June 14, 2017

Mr. Trey Price
Executive Director
Florida Housing Finance Corporation
227 N. Bronough Street, Ste. 5000
Tallahassee FL 32301

Re: Local Government Areas of Opportunity Funding

Dear Trey:

Again, I want to thank Florida Housing for initiating the Pilot Qualified Local Government Funding Preference, expanded and refined as the Local Government Areas of Opportunity Funding. The City of Jacksonville, the JHFA, and the Downtown Investment Authority successfully implemented this program in conjunction with both RFA 2015-107 and RFA 2016-113. As Chairman of the Jacksonville Housing Finance Authority, I strongly urge you to continue the current system for future Housing Credit RFA's. This position was unanimously supported by the full JHFA Board.

What is the impact of the local preference system? Instead of a random lottery number determining funding, developments were funded that further the City's goal of providing affordable housing for persons working in the downtown area. Additionally, of those that proposed to provide such housing, the applicant that most efficiently utilized public resources was chosen over those with higher costs.

The sites of the priority developments, one located at a light rail stop, must be tied up now for affordable housing or the opportunity will be lost forever. Just last meeting, FHFC approved a modification which allowed a developer acquiring a property near downtown Jacksonville to virtually eliminate the affordability requirement—showing that property in the downtown area will continue to escalate in value and will price lower wage downtown workers out of the market.

In the 2015 Housing Credit cycle, the "winning" development, using the lottery system, has barely started construction two years later (some dirt has moved) and has costs that exceed \$294,000 per unit. The two deals selected through the local preference system have similar construction (concrete, mid-rise) yet have total development costs \$180,000 and \$194,000. What the lottery rewarded was a deal that costs \$100,000 per unit more than those selected by the City of Jacksonville and its HFA. Both of the preference deals will be completed before the lottery selected deal from a year earlier.

For years, Jacksonville encouraged FHFC to adopt some form of local preference system in the award of housing credits. Jacksonville was the pilot for the concept, and the local preference was successfully implemented by our City. Please remember that this entire concept is about the rational award of a scarce public resource—with the local government a partner with FHFC. Jacksonville wants to make sure that the developments funded by FHFC best meet our local (well-defined) goals.

The beauty of the local preference system is that each local government that chooses to participate in the process can bring different priorities to the award of tax credits. There is no way that FHFC could adopt a scoring system that would result in funding of deals that all met strong local priorities—that were very different within each community. Jacksonville focused on cost efficient housing for downtown workers, with the ability of those workers to use the light rail system to get to work, rather than having to drive. Hillsborough County focused on long term affordability and higher percentages of residents serving extremely low income residents. The cities of Tampa and Orlando

focused on redevelopment. Only the Local Government Areas of Opportunity Funding could have resulted in deals this different all moving to the top of table for the award of Housing Credits by FHFC.

As we have communicated earlier, the process by which JHFA selected the developments was open and transparent. The selection criteria were adopted at a public meeting, communicated to the development community, and professionally evaluated. Copies of the RFQ and Evaluations of the Applications are attached. It should be noted that the City of Jacksonville (by Ordinance long ago) designated the JHFA to handle matters related to FHFC programs and contributions. It was the JHFA Board that established the criteria for selection and that process was not influenced by political considerations.

As you know, you can't prove a negative. Therefore, critics can always invent some conspiracy theory as to how the JHFA secretly did use politics to pick a local developer for the priority funding. All I can say is—evaluate the applications independently without knowing the names of the developers and you would almost certainly select the same developments for funding—not because of politics, but because they most cost efficiently met the goals established by the JHFA.

One developer who is pushing FHFC to return to a lottery system initially submitted comments (a year ago) implying that local governments are somehow using, or could use, the Local Government Funding Preference as a profit center. The application and review fees charged by the JHFA were established well before the Pilot Program was initiated, and were not raised or altered. The fee structure was discussed with FHFC staff before the program was fully implemented. The application fees received were massively smaller than the amount of contribution provided by the JHFA from its own funds.

So when that did not work, the accusations moved on to politics. Then to some inference that FHFC is not fulfilling its duty to allocate tax credits because local government has a voice in the process. And now to an unfounded “concern” about the Fair Housing Act.

It is interesting to note that the JHFA funding preference was for family housing in the Central Business District. One developer actively working to eliminate the Local Government Areas of Opportunity system submitted an application for elderly housing outside of the CBD and then asked for their money back when they were not selected.

Jacksonville understands that our voice in the selection of Housing Credit developments does not come for free. We have been most willing to provide the additional level of local support required to exercise the ability to select a deal for preference—as has our Downtown Investment Authority.

Please continue the Local Government Areas of Opportunity system in future Housing Credit cycles. It has been a success and we look forward to being able to implement City goals in partnership with the development community and FHFC.

Thank you, and please contact me if you have further questions.

Sincerely,



Tripp Gulliford, Chair
Jacksonville Housing Finance Authority

Applications Due:
October 4, 2016 for Loans Made in Conjunction with FHFC RFA 2016-109
November 4, 2016 for Loans Made in Conjunction with FHFC RFA 2016-113
or any other FHFC Housing Credit RFA

JACKSONVILLE HOUSING FINANCE AUTHORITY

**NOTICE OF FUND AVAILABILITY &
REQUEST FOR APPLICATIONS**

LOCAL GOVERNMENT SUPPORT LOANS
(1) FOR DEVELOPMENTS APPLYING FOR FHFC HOUSING CREDITS
SEEKING THE LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING,
(2) FOR DEVELOPMENTS APPLYING FOR FHFC SAIL SEEKING THE REQUIRED
LOCAL GOVERNMENT CONTRIBUTION, & (3) FOR DEVELOPMENTS APPLYING
FOR HOUSING CREDITS UNDER ANY OTHER FHFC RFA

The Jacksonville Housing Finance Authority (the "Authority") announces the availability of funds and is requesting applications for the consideration of providing local government support for qualified multifamily housing developments which meet the goals of the Authority and comply with applicable federal and state law. The Authority has adopted the following guidelines to set forth the general requirements and procedures that apply to the financing of multifamily housing developments. The Authority may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the Authority, and would require specific approval by the Jacksonville City Council. In addition, these guidelines may be amended, revised, repealed or otherwise altered by the Authority with or without notice. The Authority specifically welcomes requests for proposed alternative resident programs or development/unit features.

All applications submitted will be reviewed by the Authority's Financial Advisor, who will make recommendations to the Board. The Board will decide whether or not to authorize commitment letters and loans providing Local Government Support for developments seeking FHFC funding. Submission of an application does not entitle the Applicant to financing, even if sufficient funds remain.

The Authority will not consider issuing commitment letters to provide financing for any development unless the applicant has satisfied the general requirements set forth in these guidelines, submits a timely, complete, and acceptable application and complies with all of the procedures and requirements contained within the Authority's application procedures and program guidelines. Copies of the Application are available at the Authority's website:

<http://www.coj.net/departments/independent-boards-and-agencies/jacksonville-housing-finance-authority/multifamily-programs.aspx>

The Authority reserves the right to impose additional requirements on any particular development. Compliance with these guidelines does not and shall not create any right by an applicant to a commitment or assurance that the Authority will provide the requested financing.

JACKSONVILLE HOUSING FINANCE AUTHORITY

Local Government Support Funds

Application

**THIS APPLICATION IS SOLELY FOR THE USE OF APPLICANTS SEEKING THE REQUIRED
MINIMUM LOCAL GOVERNMENT CONTRIBUTION FOR FLORIDA HOUSING FINANCE
CORPORATION HOUSING CREDITS OR SAIL PROGRAM**

SUBMIT ORIGINAL (WITH FEES), 1 COPY AND A PDF OF THE ENTIRE APPLICATION TO:

Jacksonville Housing Finance Authority
Laura Stagner, Director of Finance
214 N. Hogan St., 3th Floor
Jacksonville, Florida 32202

SUBMIT ONE (1) COPY (WITH FEES) AND A PDF OF THE ENTIRE APPLICATION TO:

THE HENDRICKSON COMPANY
1404 ALBAN AVENUE
TALLAHASSEE, FLORIDA 32301
850.671.5601

REVISED September 21, 2016

**ANALYSIS OF LOAN REQUESTS:
LOCAL GOVERNMENT CONTRIBUTION (LGC),
QUALIFIED FINANCIAL ASSISTANCE FUNDING PREFERENCE (FP) &
HOME MATCH (HM)**

1. Summary of Applications

The 2016 NOFA had an October 1, 2015 due date. Seven applications were received with correct fees. A summary of the proposed developments:

NAME LOCATION	DEVELOPER/ CONTACT	UNITS	DEMOGRAPHIC	TDC	COST/UNIT LAND/UNIT	Hard Cost/Unit
Bronwyn Landing West Side of Lane Ave., 1500' south of Normandy Blvd.	Vestcor Ryan Hoover	100	Elderly 3-Story with Elevator (1 building) New Construction	\$15,780,938	\$157,809 \$14,000	\$100,000 63% of TDC
Thornton Place 5226 Atlantic Blvd.	Wendover Housing Partners Jonathan Wolf	116	Elderly 3-Story with Elevator (1 building) New Construction	\$21,866,189	\$188,502 \$17,241	\$115,140 61% of TDC
Arbours at Ambassador Place 420 North Julia St. (west side of Julia between Duval & Church)	Arbour Valley Sam Johnston	63	Family High Rise Redevelopment	\$16,496,199	\$245,971 \$37,302 (land & building)	\$141,674 54% of TDC
LaVilla Plaza 1000 West Monroe St.	Beneficial Don Paxton	80	Family Mid-Rise New Construction	\$18,403,934	\$230,050 \$22,500	\$147,000 64% of TDC
Lofts at LaVilla 906 W. Bay St.	Vestcor Ryan Hoover	120	Family Mid-Rise New Construction	\$21,915,000	\$182,625 \$18,542	\$119,000 65% of TDC
Pine Grove Family West side of Powers Avenue, north of Powers & Toledo Rd.	Richman Group of Florida Todd Fabbri	84	Family Garden- 3 story New Construction	\$14,593,391	\$173,731 \$14,000	\$102,683 59% of TDC
Mary Eaves Senior Village East of intersection of Myrtle Ave. North & West 16 th St.	Vestcor Wight Greger	80	Elderly Mid-Rise New Construction	\$12,520,429	\$156,505 \$9,375	\$100,000 64% of TDC

ANALYSIS OF LOAN REQUESTS LOCAL GOVERNMENT AREA OF OPPORTUNITY (PREFERENCE) FUNDING

1. FHFC Required Funding Levels

Minimum Local Government Area of Opportunity Funding Amounts

Building Type*	Total Amount of Loan(s)/Grant(s)
Garden-Wood (NC)	\$458,250
Garden-Concrete (NC)	\$551,000
Mid-Rise-Wood (NC)	\$551,000
Mid-Rise-Concrete (NC)	\$607,500
High-Rise (NC)	\$739,500
Garden (Rehab)	\$385,250
Non-Garden (Rehab)	\$542,750

* For purposes of this provision (i) Concrete refers to a "Yes" answer to question 5.c.(3) of Exhibit A; (ii) NC includes Development Categories of New Construction, Redevelopment and Acquisition and Redevelopment and Rehab includes Development Categories of Rehabilitation and Acquisition and Rehabilitation, as selected by the Applicant at question 5.c.(1) of Exhibit A; and (iii) Garden includes all Development Types other than Mid-Rise and High-Rise; Non-Garden includes Development Types of Mid-Rise with Elevator (4 stories, 5 stories, or 6 stories) and High-Rise (7 or more stories); Mid-Rise includes Development Types of Mid-Rise with Elevator (4 stories, 5 stories, or 6 stories); and High-Rise includes Development Type of High Rise (7 or more stories), as selected by the Applicant at question 5.d. of Exhibit A. In the case of mixed-type Developments, the Applicant should use the Building Type that will comprise the majority of the units in the Development.

2. Summary of Applications

The 2017 NOFA had a November 4, 2016 due date. Three applications were received with correct fees. A summary of the proposed developments:

NAME LOCATION	DEVELOPER/ CONTACT	UNITS	DEMOGRAPHIC	TDC COST/UNIT	JHFA LOAN REQUEST	Hard Cost/Unit
Arbours at Ambassador Place 420 North Julia St. (west side of Julia between Duval & Church)	Arbour Valley Sam Johnston	71	Family High Rise 7 Story with Elevator Redevelopment	\$18,832,160 \$265,242/unit	\$739,500	\$169,384 64 % of TDC
Lofts of LaVilla on Bay South side of W. Bay St., 1,000 feet west of intersection of West Bay & Lee Streets	Vestcor Ryan Hoover	116	Family Mid-Rise 5-Story with Elevator (1 building) New Construction	\$21,913,883 \$188,913/unit	\$607,500	\$120,000 64% of TDC
Lofts of LaVilla on Monroe 1000 West Monroe Street (north side of Monroe, between Lee & N. Davis Streets)	Vestcor Ryan Hoover	108	Family Mid-Rise 5-Story with Elevator (1 building) New Construction	\$20,950,917 \$193,990/unit	\$303,750	\$120,000 62% of TDC

3. **Threshold Criteria & Analysis:** All Applicants meet threshold requirements.

Development Applicant	Project must be located within Duval County	Evidence of ownership or other legal control of site	Set-aside of rental units equal to or greater than the standards for LIHTC or applicable FHFC program	Evidence of land use and zoning authorizing the use of the of the property for multifamily residential uses
Arbours at Ambassador Place Arbors @ Ambassador Place LLC	Yes 420 North Julia Street (west side of Julia between Duval and Church)	Yes Site control via contract for purchase and sale	Exceeds 89%<60% AMI 11%<33% AMI 50 years	Yes CCBD FHFC Zoning Form executed by City
Lofts of LaVilla on Bay Lofts at LaVilla on Bay, Ltd.	Yes South side of W. Bay St., 1,000 feet west of intersection of West Bay & Lee Streets.	Yes Site control via Contract for Purchase & Sale	Exceeds 90%<60% AMI 10%<33% AMI 50 years	Yes PBF-2 Letter from City
Lofts of LaVilla on Monroe Lofts of LaVilla on Monroe, Ltd.	Yes 1000 West Monroe Street (north side of Monroe, between Lee & N. Davis Streets).	Yes Site control via Contract for Purchase & Sale	Exceeds 90%<60% AMI 10%<33% AMI 50 years	Yes CCG-2 Letter from City

4. **Summary of Loan Requests:**

DEVELOPMENT	LOAN REQUEST	LOAN TERM	NPV COST	LOAN RATE	COMMENTS
Arbors at Ambassador Place	\$739,500	16.75 years (201 months) Amortizing over last 15 years	\$294,134	0%	Amount required for high-rise by FHFC RFA 2016-113
Lofts of LaVilla on Bay	\$607,500	20 years Non-amortizing	\$404,772	0%	Amount required for mid-rise concrete building by FHFC RFA 2016-113
Lofts of LaVilla on Monroe	\$303,750	20 years Non-amortizing	\$202,386	0%	50% of amount required for mid-rise concrete building by FHFC RFA 2016-113 provided by the Downtown Investment Authority

5. Project Selection Criteria

Those in **BLACK** are from Ordinance 2014-185-E

Those in **RED** are from JHFA Board

- 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.
- **The JHFA established the following funding priorities for Applicants applying for the Qualifying Financial Assistance Funding Preference**
 - **Location in the Central Business District**
 - **FHFC category of “Family” demographic**
 - **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.**

6. Analysis of Developments Using Project Selection Criteria:

CRITERIA	APPLICATIONS
Development, construction & management experience	All Applicants have extensive experience
Financial feasibility to complete and operate the development	All deals appear economically feasible
Applicant’s performance and/or compliance on any prior loans or contracts with JHFA or the City	Vestcor has various loans with JHFA.

Social services and assistance offered to residents (job training, computer training, home purchase assistance, health-related support, and others	All will have to meet FHFC standards. Both Lofts of LaVilla on Monroe & Bay gave additional commitments directly to JHFA for literacy training, employment assistance program, family support coordinator, planned resident functions, and home ownership program.
Temporary or permanent displacement of existing tenants (negative factor)	None
Priority for developments with expiring Section 8 contracts or affordable housing land use restriction agreements	None
Location in the Central Business District	All deals located in CBD
Family Demographic	All deals are family demographic.
Maximum Economic Impact	Direct economic impact from construction: Lofts of LaVilla on Bay: \$13.92 million Lofts of LaVilla on Monroe: \$12.96 million Arbours at Ambassador Place: \$12.02 million Property Tax Estimates: Lofts of LaVilla on Bay: \$65,000/year Lofts of LaVilla on Monroe: \$65,000/year Arbours at Ambassador Place: \$63,000/year
Developments which provide neighborhood lift & could lead to additional revitalization	All three deals will provide neighborhood lift & could lead to additional revitalization. Both Lofts applications gave detailed descriptions of how they meet all seven goals of the City's 2015 Redevelopment Plan.
Developments that result in the adaptive reuse or redevelopment of existing structures or properties	Arbours at Ambassador Place will utilize the structure of the old Ambassador Hotel
Proximity to Public Transportation	All developments located within three blocks of a Skyway Transit Station
Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level	Lofts of LaVilla on Monroe reduces the JHFA loan to 50% or less of the other developments via a commitment from the Downtown Investment Authority for 50% of the required FHFC loan amount for mid-rise concrete buildings.
Leveraging of JHFA funds with other funds to provide greater impact on neighborhood & community	Lofts of LaVilla on Monroe
Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term	Arbours at Ambassador Place has proposed 15 year loan term, as compared to 20 years for the others. However, because the Arbours has a larger required loan amount (high-rise), the NPV of the cost of the Arbours loan is \$294,134 compared to \$202,386 for the loan to Lofts at LaVilla on Monroe.

7. **Back-Up Development**

- If the JHFA only selects the “preference” development, and it fails threshold in the FHFC scoring due to an error by the applicant, Jacksonville would not receive any funding.
- It is prudent to pick at least one back-up development to increase the probability that Jacksonville will receive at least one development.
- The FHFC system gives automatic proximity points to the preference development. Other developments are scored based upon proximity to services and to other FHFC developments that have been funded, but not yet built/stabilized. If a development is within two miles of one of these developments, it will fail threshold.
- As a result of the Lofts at LaVilla and Houston Street Manor deals being on the proximity list, no family or elderly deal (other than the preference deal) may be located within the CBD and meet FHFC threshold requirements.
- Accordingly, the two deals that submitted applications that are not chosen as the preference deal cannot be the backup.
- To remedy this situation, a revised NOFA was issued, inviting applications from developments that will meet FHFC threshold scoring, regardless of whether they meet the priority development criteria (they would have to meet the basic requirements for any JHFA local government contribution loan). The application deadline is November 28. An analysis of these applications will be circulated on November 29.

8. **Development Analysis:**

- **The Arbors at Ambassador Place:**
 - ✓ Adaptive reuse of existing building—Ambassador Hotel.
 - ✓ Shortest loan term (which is offset by highest loan amount).
- **Lofts of LaVilla on Bay:** Similar to Lofts at LaVilla at Monroe, except that the cost to the JHFA is doubled.
- **Lofts of LaVilla on Monroe:**
 - ✓ Least cost to the JHFA, due to Downtown Investment Authority contribution of 50% of total required amount.
 - ✓ Continued redevelopment of LaVilla neighborhood.
 - ✓ Commitment for services and assistance to residents.
 - ✓ Clear description of how development meets goals of City’s 2015 Redevelopment Plan

9. **Recommendations:**

- Select one application for priority funding level.
- Establish term of loan and amortization, if any.
- All loan commitment and loans 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 commitments (City programs, length of set-aside, income restrictions).
- Loan commitment expiration date of December 31, 2017.

2. Threshold Criteria & Analysis: All Applicants meet threshold requirements.

Development Applicant	Project must be located within Duval County	Evidence of ownership or other legal control of site	Set-aside of rental units equal to or greater than the standards for LIHTC or applicable FHFC program	Evidence of land use and zoning authorizing the use of the of the property for multifamily residential uses
Bronwyn Landing Bronwyn Landing Ltd.	Yes West Side of Lane Avenue, 1500' south of Lane and Normandy Blvd.	Yes Site control via Contract for Purchase & Sale	Exceeds 90%<60% AMI 10%<35% AMI 50 years	Yes RMD-D Residential Medium Letter from City
Thornton Place Thornton Place Ltd.	Yes 5226 Atlantic Blvd.	Yes Site control via Contract for Purchase & Sale	Exceeds 89%<60% AMI 11%<33% AMI 50 years	Yes PUD Letter from City
Arbours at Ambassador Place Arbors @ Ambassador Place LLC	Yes 420 North Julia Street (west side of Julia between Duval and Church)	Yes Site control via contract for purchase and sale	Exceeds 89%<60% AMI 11%<35% AMI 50 years	Yes CCBD FHFC Zoning Form executed by City
LaVilla Plaza LaVilla Plaza Apartments LP	Yes 1000 West Monroe Street.	Yes Site control via Contract for Purchase & Sale	Exceeds 90%<60% AMI 10%<35% AMI 50 years	Yes CCG-2 FHFC Zoning Form executed by City
Lofts at LaVilla Lofts at LaVilla Ltd.	Yes 906 W. Bay Street	Yes Site control via Contract for Purchase & Sale	Exceeds 90%<60% AMI 10%<35% AMI 50 years	Yes CCG-1 Letter from City
Pine Grove Family Powers Avenue Apartments Ltd.	Yes West side of Powers Avenue, north of Powers & Toledo Rd.	Yes Site control via deed	Exceeds 90%<60% AMI 10%<35% AMI 50 years	Yes CRO FHFC Zoning Form executed by City
Mary Eaves Senior Village Mary Eaves Ltd.	Yes East of intersection of Myrtle Ave. North & West 16 th St.	Yes Site control via Contract for Purchase & Sale	Exceeds 80%<60% AMI 20%<50% AMI 20 years	Yes PUD Letter from City

3. Summary of Loan Requests:

DEVELOPMENT	LOAN REQUEST	LOAN TERM	LOAN RATE	COMMENTS
Bronwyn Landing	\$115,000	20 years	0%	RFA 2015-107 LGC
Thornton Place	\$113,000	20 years	0%	RFA 2015-107 LGC
Arbors at Ambassador Place	\$718,000	\$603,000/18 months after construction completion; \$115,000/20 years	0%	RFA 2015-107 Question loan terms and FHFC requirements. FP
LaVilla Plaza	\$589,750	20 years	0%	RFA 2015-107 FP
Lofts at LaVilla	\$265,000	20 years	0%	RFA 2015-107 FP
Pine Grove Family	\$750,000	18 years	0%	RFA 2015-107 FP
Mary Eaves Senior Village	\$285,000	20 years	0%	RFA 2015-110 Home

4. Project Selection Criteria

Those in **BLACK** are from Ordinance 2014-185-E

Those in **RED** are from JHFA Board

- 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.
- **The JHFA established the following funding priorities for Applicants applying for the Qualifying Financial Assistance Funding Preference**
 - **Location in the Central Business District**
 - **Maximum Economic Impact**
 - **Developments which provide a lift to the neighborhood, and could lead to additional revitalization and/or neighborhood improvement**
 - **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.**

5. Analysis of Developments Using Project Selection Criteria:

CRITERIA	APPLICATIONS
Development, construction & management experience	All Applicants have extensive experience
Financial feasibility to complete and operate the development	All deals appear economically feasible
Leveraging	See below
Applicant’s performance and/or compliance on any prior loans or contracts with JHFA or the City	Richman has bond financing for Bennett Creek. All fees paid in timely manner. Vestcor has various loans with JHFA.
Social services and assistance offered to residents	Will have to meet FHFC standards
Temporary or permanent displacement of existing tenants (negative factor)	None
Priority for developments with expiring Section 8 contracts or affordable housing land use restriction agreements	None
Location in the Central Business District	Arbors at Ambassador Place LaVilla Plaza Lofts at Lavilla
Maximum Economic Impact	Lofts at LaVilla
Developments which provide neighborhood lift & could lead to additional revitalization	Arbors at Ambassador Place LaVilla Plaza Lofts at Lavilla Mary Eaves Senior Village
Leveraging of JHFA funds with other City funds to reduce JHFA contribution	Lofts at LaVilla
Leveraging of JHFA funds with other funds to provide greater impact on neighborhood & community	Lofts at LaVilla Mary Eaves Senior Village
Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term	Arbors at Ambassador Place, if proposed loan terms meet FHFC requirements for “permanent financing”

6. Development Analysis:

- **Bronwyn Landing** and **Thornton Place** meet the threshold requirements to receive a JHFA loan, and are seeking the minimum local government contribution loan to achieve ability to meet FHFC threshold scoring and enter the lottery. Both meet the criteria for a \$115,000 loan commitment—if funding is available.
- **Mary Eaves Senior Village** is seeking the required minimum 5% HOME match, in order to apply for \$5.7 million of FHFC HOME funds, FHFC bonds and 4% Housing Credits. The request is for a 20 year loan of \$285,000. The City has invested NSP and CDBG funds in the predevelopment and land acquisition for the development, and in the redevelopment of the Myrtle-Moncrief area. The Northwest Jacksonville CDC is the current owner of the property, will have a minority ownership in the development, and will coordinate services for the residents. The development will leverage significant investment of State HOME dollars and federal tax credits into Jacksonville if funded.

- **The Lofts at LaVilla** development is seeking the Qualified Financial Assistance Funding Preference. The site is located in the Central Business District, and is immediately adjacent to the Jefferson station of the Skyway Express (giving residents access to downtown offices and the south side of the river). The development has received a commitment of \$270,000 from the Downtown Investment Authority which can be used towards the required FHFC local funding level. The DIA commitment allows the JHFA to reduce its contribution to \$265,000 (20 year loan). The development has reasonable costs, and would provide housing in an excellent location for lower wage downtown workers. Bringing residential housing to this area meets City objectives.
 - **The Arbors at Ambassador Place** development is seeking the Qualified Financial Assistance Funding Preference. The site is located in the Central Business District and is 1.5 blocks from the Hemming Plaza station of the Skyway. The site is within easy walking distance of downtown employment. The proposal would lead to the total redevelopment of the historic Ambassador Hotel. The Applicant has requested \$718,000, with \$603,000 to be paid back 18 months after construction completion. While this would reduce the 20 year loan amount to \$115,000, it is questionable if this proposal would meet FHFC standards as “permanent” financing. The development has reasonable costs, and would provide housing in an excellent location for lower wage downtown workers. Bringing residential housing to this area meets City objectives.
 - The **LaVilla Plaza** development is seeking the Qualified Financial Assistance Funding Preference. The site is located in the Central Business District. The Applicant is seeking a \$589,750 (20-year) loan from the JHFA, and does not leverage other City funds to reduce the JHFA contribution. The development’s per unit cost of \$230,050 is excessive. Bringing residential housing to this area meets City objectives.
 - The **Pine Grove Family** development is seeking the Qualified Financial Assistance Funding Preference. The site is not located in the Central Business District (located 5.5 miles south of downtown, between I-95 and the river on Powers Avenue. The Applicant is seeking a \$750,000 (18-year) loan from the JHFA, and does not leverage other City funds to reduce the JHFA contribution.
7. **Priority Funding Analysis:** The JHFA may select one priority development for the City, superseding the HC lottery. The priority development will be funded so long as it meets FHFC application threshold requirements.
- All four applications meet the threshold criteria established by City Ordinance for JHFA loans (Ambassador, LaVilla Plaza, Lofts at Lavilla, and Pine Grove Family).
 - Three developments (Ambassador, LaVilla Plaza, and Lofts at LaVilla) meet the basic targeting criteria of location with the Central Business District. Pine Grove Family does not meet the criteria.
 - All three would provide needed residential housing for lower wage downtown workers and would help to revitalize the area.
 - Two of the developments (Ambassador and Lofts at LaVilla) are located at or very near a Skyway station.
 - Only Lofts at LaVilla meets the criteria of bringing other resources to the table to reduce the required JHFA funding commitment. The \$270,000 commitment from the DIA enables the JHFA to select a development for funding priority for an investment of only \$265,000.

- The JHFA could charge cash-flow contingent interest on a Priority Funding loan without jeopardizing the FHFC commitment. However, this would require financial monitoring that may cost as much as the interest owed.

8. **HOME Match Analysis:**

- Mary Eaves Senior Village would provide much needed housing and redevelopment to the Myrtle-Moncrief area. The JHFA investment of \$285,000 could leverage \$5.7 million of State HOME funds to Jacksonville. The City has already invested CDBG and NSP funds in the development—funds that could be lost if the financing does not move forward. The only concern with providing HOME match was the potentially very high requirement of funding for the Priority Development (up to \$718,000). However, given the actual applications, the JHFA could select a priority development and provide HOME match for a total outlay of \$550,000 of the roughly \$1 million that is available.

9. **Minimum Local Government Contribution Analysis:**

- The minimum loan amount required to meet the \$75,000 FHFC contribution level is \$115,000/20 year/0% loan. JHFA could provide the minimum commitments to the two developments that only asked for this amount and the three requesting the Priority Funding that are not selected for a total of \$575,000.
- As with last year, it is virtually certain that only one Duval County development will be selected for Housing Credits.
- However, every development that receives LGC will then have a vested interest in challenging the development selected for Priority Funding.

10. **Miscellaneous:**

- Wendover has written to urge the JHFA to not select a development for Priority Funding. And also asked that the JHFA consider returning the application fee and review fee if they are not successful in obtaining Housing Credits.
- The FA has performed an extensive analysis and will not return the review fee.

11. **Recommendations**

- Provide a Funding Preference loan commitment of \$265,000 (20 year/0%/non-amortizing/due in one balloon payment) to the Lofts at LaVilla, and work with the Mayor's office to provide the appropriate form showing the total required local government commitment (JHFA and DIA) of \$535,000.
- Provide a HOME Match loan commitment of \$285,000 (20 year/0%/non-amortizing/due in one balloon payment) to Mary Eaves Senior Village.
- Consider providing LGC loan commitments in the amount of \$115,000 (20 year/0%/ non-amortizing/due in one balloon payment) to all or some of the remaining five applicants.
- No waiver of JHFA fees.
- All loan commitment and loans governed by Ordinance 2014-185-E.
- Authorize the Chairman to sign loan commitment letters.
- 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 commitments (City programs, length of set-aside, income restrictions).
- Loan commitment expiration date of July 1, 2016.

GENERAL INFORMATION

NOTE: Please see The City Council of the City of Jacksonville’s Ordinance 2014-185-E, which establishes minimum Project Threshold Criteria, Project Selection Criteria, and Loan Terms, all for local government support as set forth in this application. If any of the four Project Threshold Criteria are not met (e.g., Project located in Duval County; Site control; Sufficient number of rental units per applicable FHFC program; and Project presently zoned and has appropriate land use designation permitting multi-family residential for the proposed Project), then the application will not be considered by the JHFA. If an application is approved, then the JHFA will determine the loan terms for the local government support, including the minimum requirements set forth in Ordinance 2014-185-E and including any other terms required by the JHFA (including, but not limited to, the applicant paying the JHFA’s legal fees and all costs related to the local government support loan).

IF ONE OF THE PROPOSED FUNDING SOURCES FOR THIS DEVELOPMENT IS BOND, THE BONDS MUST BE ISSUED BY JHFA. THE DEADLINE TO APPLY FOR JHFA BONDS WILL BE NOTICED IN THE NOTICE FOR FUND AVAILABILITY.

Please indicate if Applicant will use these funds in conjunction with (check one)

- FHFC HOUSING CREDIT RFA # _____
- FHFC SAIL RFA # _____
- OTHER FHFC HOUSING CREDIT RFA (PLEASE EXPLAIN)

LOCAL GOVERNMENT LOAN REQUEST: Please provide the details of your request for a local government contribution, including the requested loan amount and loan terms, including interest rate, maturity date, amortization, and balloon (if any). The maximum amount of the Local Government Support loan for projects funded by FHFC is the minimum amount that will allow local projects to score the maximum number of points under the FHFC’s guidelines. . This exact amount will be noticed in the Notice of Fund Availability.

LOAN AMOUNT REQUESTED: _____

MATURITY OF LOAN IN YEARS: _____

INTEREST RATE: _____

AMORTIZATION: _____

BALLOON, IF ANY: _____

VALUE OF CONTRIBUTION FOR FHFC APPLICATION PURPOSES: _____

EXPLANATION AND CALCULATION: _____

I. DEVELOPMENT SUMMARY AND TIMELINE

- A. Provide a short narrative description of the Development, including all amenities, unit features and scope of work to be performed. MAJOR DEVELOPMENT AMENITIES WILL BE INCLUDED IN THE LAND USE RESTRICTION AGREEMENT AND/OR THE LOW INCOME HOUSING AGREEMENT, IF APPLICABLE. Also attach as Exhibit ___ a timeline for the completion of the development which includes all key dates, including anticipated timing of permits and credit underwriting, bond closing date, completion of construction, rent up, and stabilization.

- B. Applicant must agree to participate in the Crime Free Multi-Housing Program sponsored by the Jacksonville Sheriff's Office. Terms of this program are included as Attachment 1. Proof of participation must be provided to the Authority semi-annually.

C. SUMMARY OF PROPOSED DEVELOPMENT

C. SUMMARY OF PROPOSED DEVELOPMENT	
Name of Development	
Location of Development, by street address, or if no address, by mileage from nearest cross streets. Also, attach a map showing the development's location. The Project <u>must</u> be located in Duval County. (PROJECT THRESHOLD CRITERIA)	
City Council District Number	
Developer/ Location (name of controlling company, not of LP or LLC).	
Contact person for application, including name, email, and phone numbers	
Development Type New Construction or Rehabilitation Family, Elderly, or other	
Number of Units, by Bedrooms	
Total Development Cost	
Cost per unit	
Land Cost	
Acquisition of Building Cost if applicable	
Hard Rehab Cost or Construction Cost	
General Contractor	
Set Aside Period	
Set Aside Levels (PROJECT THRESHOLD CRITERIA)	
Current Zoning (PROJECT THRESHOLD CRITERIA)	
Evidence of Site Control (PROJECT THRESHOLD CRITERIA)	

II. APPLICANT INFORMATION

A. Applicant Name: _____

Must be a legally formed entity (i.e., limited partnership, corporation, etc.) qualified to do business in the State of Florida at the time of submission of Application.

B. If partnership, name of general partner(s): _____

If corporation, name and title of executive officer: _____

Address: _____

Telephone: _____ Facsimile: _____

III. PROPOSED PROJECT FINANCING

A. Proposed Finance Summary: Please provide a permanent loan period detailed sources and uses that is in a format acceptable to FHFC as part of the upcoming HC RFA process.

IV. ABILITY TO PROCEED

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Development.

A. Site Control (PROJECT THRESHOLD CRITERIA)

Site Control must be demonstrated by the APPLICANT. At a minimum, a Contract for Purchase and Sale must be held by the Applicant for the proposed site. The contract may not until expire 7 months after the application deadline if applying for FHFC funding and if applicant does not currently have a bond allocation reserved by the Authority and the remedy for default on the part of the seller must include or be specific performance, and the buyer **MUST** be the Applicant. Indicate which form of site control is provided:

___ Contract for Purchase & Sale, and Title Insurance Commitment showing marketable title in the name of the Seller

___ Recorded Deed, and Title Insurance Policy Showing marketable title in the name of the Applicant

___ Long-Term Lease: If site control is demonstrated by long-term lease, a copy of the executed lease must be provided. The lease may be contingent only upon the receipt of Bond

Financing. Also, a Title Insurance Commitment showing marketable title in the name of the lessee must be included.

IMPORTANT: If site control is not held by the Applicant, a fully executed, enforceable **contract for purchase and sale or assignment of contract** must be provided which obligates the seller or assignor to transfer the site to the Applicant contingent **ONLY** upon the award of Financing from the Authority or FHFC. . Evidence of Site Control can be found directly behind tab labeled “Exhibit__.”

B. Zoning and Land Development Regulations (PROJECT THRESHOLD CRITERIA)

1. a. Is the site appropriately zoned for the proposed Development: No ___ Yes ___

b. Indicate zoning designation (s) _____

c. Current zoning permits ___units per acre, or ___ for the site (PUD).

d. Total Number of Units in Development:

Note: at a minimum, the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions must permit the proposed Development. (PROJECT THRESHOLD CRITERIA)

2. New Construction Zoning and Land Development Regulation Development Requirements:

Applicant must provide a letter from the appropriate local government official that the Development is consistent with zoning and land development regulations, which verify that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use. **To meet minimum requirements, attach a letter from the appropriate local government official verifying that the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions permit the proposed Development.** The local government verification letter can be found directly behind tab labeled “Exhibit ___”

3. Rehabilitation Zoning and Land Development Regulation Development Requirements:

Applicant must provide a letter from the appropriate local government official that the Development is consistent with zoning and land development regulations, which verify that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use. **To meet minimum requirements, attach a letter from the appropriate local government official verifying that the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions permit the proposed Development.** The local government verification letter can be found directly behind tab labeled “Exhibit__”.

V. FOR APPLICANTS SEEKING THE LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING:

Provide a narrative describing how the proposed development meets the selection criteria detailed within the NOFA. The narrative can be found directly behind tab labeled “Exhibit _____”

VI. CERTIFICATION (Original Signatures Required)

The undersigned Applicant certifies that the information in this Application is true, correct and authentic.

THE APPLICANT FURTHER ACKNOWLEDGES HAVING REAL ALL APPLICABLE AUTHORITY RULES GOVERNING THE PROGRAM AND ACKNOWLEDGE HAVING READ THE INSTRUCTIONS FOR COMPLETING THIS APPLICATION.

THE APPLICANT UNDERSTANDS AND AGREES TO ABIDE BY THE PROVISIONS OF THE APPLICABLE FLORIDA STATUTES AND AUTHORITY PROGRAM POLICIES, RULES AND GUIDELINES.

THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND ACCURATE. THE PERSON EXECUTING THIS DOCUMENT REPRESENTS THAT HE OR SHE HAS THE AUTHORITY TO BIND THE APPLICANT AND ALL INDIVIDUALS AND ENTITIES NAMED HEREIN TO THIS WARRANTY OF TRUTHFULNESS AND COMPLETENESS OF THE APPLICATION.

THE APPLICANT ACKNOWLEDGES THAT THE AUTHORITY’S INVITATION TO SUBMIT AN APPLICATION DOES NOT CONSTITUTE A COMMITMENT TO FINANCE THE PROPOSED DEVELOPMENT. **BEFORE THE AUTHORITY CAN APPROVE THE PROPOSED DEVELOPMENT FOR FINANCING, IF THE DEVELOPMENT WILL BE REQUESTING BONDS AND/OR COMPETITIVE HOUSING CREDITS AND HAS NOT RECEIVED AN ALLOCATION, IT MUST RECEIVE STATE BOND ALLOCATION AND APPLICANTS MUST SUCCESSFULLY COMPLETE CREDIT UNDERWRITING AND OBTAIN ALL NECESSARY APPROVALS FROM THE BOARD OF DIRECTORS, AUTHORITY COUNSEL, BOND COUNSEL, THE CREDIT UNDERWRITER AND CITY COMMISSION AND STAFF.**

Applicant

Date

Signature of Witness

Name and Title ((typed or printed)

Name (typed or printed)

NOTE: ORIGINAL APPLICATION MUST CONTAIN AN ORIGINAL SIGNATURE, OR THE APPLICATION WILL BE REJECTED AUTOMATICALLY

ATTACHMENT 1



Office of the Sheriff

Jacksonville, Florida

Crime Free Multi-Housing Program



The Jacksonville Sheriff's Office has implemented a community program called the **Jacksonville Crime Free Multi-Housing Program**. The program, which is endorsed by Sheriff John Rutherford, is a partnership between the Jacksonville Sheriff's Office, owners, managers and residents of our apartment communities. Our goal is to keep drugs and other illegal activity out of our communities.

Crime Free Multi-Housing Program Overview

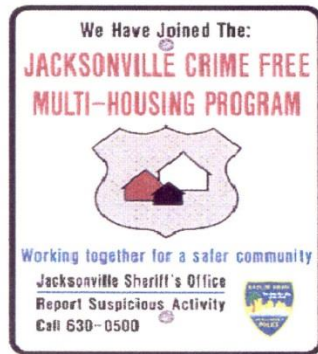
The program was successfully developed by the Mesa Arizona Police Department in 1992. The International Crime Free Multi-Housing Program has spread to nearly 2,000 cities in 44 states, 5 Canadian Provinces, and other countries.

The program consists of three phases that must be completed under the supervision of the Jacksonville Sheriff's Office.

- **Phase 1 – Management Training**
 - Property Managers, owners and staff receive eight hours of training in the operation of the Crime Free Multi-Housing Program.
 - Training consists of the following:
 - Crime Prevention Techniques
 - CPTED (physical security of their communities)
 - Benefits of resident Screening
 - Lease agreements and eviction issues
 - Crime Free Lease Addendum
 - Addressing drug activity and crime on their property
 - Training the community in crime awareness
- **Phase 2 – CPTED Survey**
 - A general CPTED (Crime Prevention through Environmental Design) survey is conducted on the apartment property.
 - A minimum safety standard must be met to participate in the Crime Free Multi-Housing Program. The following items are the minimum standards;
 - 180 degree eye viewers in all front doors
 - One inch deadbolts on all exterior doors
 - Minimum of two inch screws in strike plates on exterior doors (exception; steel framed door jambs)
 - Lift and slide protection on windows (accessible)
 - Lift and slide protection on sliding doors (accessible)
 - Adequate security lighting in working order (throughout the property)

- Properly trimmed landscaping throughout the property (3 and 7 foot rule – bushes and shrubbery trimmed below 3 feet and trees trimmed up to 7 feet)
 - Inoperable or expired vehicles tagged and removed from the property
 - A visible display of property address, seen from the roadway
- **Phase 3 – Resident Crime Prevention Meeting**
 - The apartment management must conduct an annual crime prevention meeting with their residents.
 - Community awareness and continuous participation is encouraged
- **Certification**
 - Apartment communities that successfully complete all three phases of the training are permitted to post signs on their properties (see example sign below).
 - Certified properties will also be given the following:
 - Authorization to use the Crime Free Logo in advertising and marketing of their property.
 - Once operable, apartment managers will receive daily e-mail notifications from JSO, providing calls for service information on their property.
 - JSO will place a list of certified properties on the JSO website.
 - If a property fails to keep their standards, at our minimum level, their certification will be revoked

Sample Certified Membership Sign



The Authority provides local government support to assist in the construction, rehabilitation and permanent financing of multifamily housing developments. The estimated amount of funds available for local government support is **approximately \$1,500,000**. Up to this amount can be used for multifamily developments seeking SAIL from FHFC pursuant to FHFC RFA 2016-109 and/or seeking Housing Credits from FHFC pursuant to FHFC RFA 2016-113, or other FHFC Housing Credit RFA which requires a local government contribution.

The maximum amount of the Local Government Support loans funded pursuant to this NOFA is the amount that will allow local projects to score the maximum number of points under FHFC RFA 2016-109, FHFC RFA 2016-113, or other FHFC Housing Credit RFA for which credits are being applied for, including the amount that will allow local projects to receive the maximum points for the Local Government Area of Opportunity Funding. Loans made in conjunction with FHFC RFA 2016-109 will be structured to achieve a net present value contribution of the amount necessary to score the maximum amount of points. One loan made in conjunction with FHFC RFA 2016-113 will be in the dollar amount necessary to score the maximum amount of points for the Local Government Area of Opportunity Funding, while another loan will be in the dollar amount necessary to score the maximum number of points for the Local Government Contribution.

All applications received will compete with each other and be selected by the Authority for the available funding. Applications will be reviewed against the criteria listed below and, if selected, each loan will be subject to the minimum loan terms stated below.

Applications related to FHFC RFA 2016-109 are due no later than 5:00 PM, Eastern Daylight Time, **October 4, 2016**. Applications related to FHFC RFA 2016-113 or any other FHFC RFA are due no later than 5:00 PM, Eastern Standard Time, **November 4, 2016**. The application cycle will be processed according to the Authority's guidelines (which guidelines provide, however, that any remaining allocation-available after the application cycle may be made available to applicants on a first-come, first-served basis). For more information, contact Mark Hendrickson.

Applicants must submit an original and a total of two (2) copies to the Authority as follows:

An original, one (1) hard copy, and a PDF of the entire application, and a \$5,000 application fee (check to JHFA) to:

Jacksonville Housing Finance Authority
Laura Stagner, Director of Finance
214 North Hogan Street, 3rd Floor
Jacksonville, FL 32202
PDF to be emailed to lstagner@coj.net

One (1) hard copy and a PDF of the entire application, and \$2,500 review fee (check made out to The Hendrickson Company) to:

Mark Hendrickson
1404 Alban Avenue
Tallahassee, Florida 32301
Contact: Mark Hendrickson, 850.671.5601 mark@thehendricksoncompany.com

GUIDELINES

1. PROJECT THRESHOLD CRITERIA

- 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

- 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.
- **The JHFA established the following funding priorities for Applicants applying for the Local Government Area of Opportunity Funding:**
 - ✓ **Location in the Central Business District**
 - ✓ **FHFC category of "Family" demographic**
 - ✓ **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.**
- **The JHFA established the following funding priority for Applicants applying for the local government contribution in conjunction with a SAIL application:**
 - ✓ **Utilizing JHFA Bonds**

3. LOAN TERMS:

To be determined at time of loan commitment(s). The following will apply to all JFHA loans:

- ✓ The following loan terms shall apply: (a) the JHFA may charge interest at a rate it determines (including zero percent interest); (b) the term of the loan may vary but shall not exceed forty (40) years; and, (c) the JHFA shall provide for the manner of amortization, and payment to the JHFA, of principal and interest (including, but not limited to, a balloon payment of the entire principal amount of the loan, together with any then accrued and unpaid interest, at maturity or sooner in the event of an uncured event of default. The preferred loan amount and terms for loans made in conjunction with FHFC SAIL applications or Housing Credit applications other than the Local Government Area of Opportunity Funding loan made in conjunction with FHFC RFA 2016-113 are:
 - ✓ \$115,000 loan amount
 - ✓ 20 year term
 - ✓ Monthly payment schedule
 - ✓ Non-amortizing
 - ✓ 0% interest
 - ✓ Loan due in full in balloon payment at end of 20 year loan period
- 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 Local Government Support, 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.
- The loan shall be issued in the name of the JHFA. Such loan shall be reviewed, implemented, and administered by the JHFA.

The loan amount for Applicants seeking a Local Government Area of Opportunity Funding loan will depend upon development type, and are detailed within FHFC RFA 2016-113. The terms for such loans are:

- ✓ Loan Amount to be determined by development type, as detailed in FHFC RFA 2016-113

Minimum Local Government Area of Opportunity Funding Amounts	
Building Type*	Total Amount of Loan(s)/Grant(s)
Garden-Wood (NC)	\$458,250
Garden-Concrete (NC)	\$551,000
Mid-Rise-Wood (NC)	\$551,000
Mid-Rise-Concrete (NC)	\$607,500
High-Rise (NC)	\$739,500
Garden (Rehab)	\$385,250
Non-Garden (Rehab)	\$542,750

* For purposes of this provision (i) Concrete refers to a "Yes" answer to question 5.c.(3) of Exhibit A; (ii) NC includes Development Categories of New Construction, Redevelopment and Acquisition and Redevelopment and Rehab includes Development Categories of Rehabilitation and Acquisition and Rehabilitation, as selected by the Applicant at question 5.c.(1) of Exhibit A; and (iii) Garden includes all Development Types other than Mid-Rise and High-Rise; Non-Garden includes Development Types of Mid-Rise with Elevator (4 stories, 5 stories, or 6 stories) and High-Rise (7 or more stories); Mid-Rise includes Development Types of Mid-Rise with Elevator (4 stories, 5 stories, or 6 stories); and High-Rise includes Development Type of High Rise (7 or more stories), as selected by the

Applicant at question 5.d. of Exhibit A. In the case of mixed-type Developments, the Applicant should use the Building Type that will comprise the majority of the units in the Development.

- ✓ Term of loan to be the minimum required by FHFC RFA 2016-113 or for development financial feasibility
- ✓ Monthly payment schedule
- ✓ Non-amortizing
- ✓ 0% interest
- ✓ Loan due in full in balloon payment at end of loan period
- 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 Local Government Support, 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.
- The loan shall be issued in the name of the JHFA. Such loan shall be reviewed, implemented, and administered by the JHFA.

4. **FEES**

- \$5,000 Application fee due with original application, check made out to JHFA
- \$2,500 Review fee, due with copies of application, but mailed to and check made out to The Hendrickson Company
- \$5,000 Closing Fee, due at loan closing.

5. **DISCLAIMER**

The JHFA will determine the NPV of the loan/contribution at the time of the loan commitment.

The JHFA is taking no responsibility that FHFC in their initial scoring, or in any scoring revisions that take place due to legal disputes between applicants in FHFC RFA 2016-109, FHFC RFA 2016-113, or any other FHFC RFA, will ultimately agree with this calculation. It is our best estimate of the NPV, but we are assuming NO LIABILITY if FHFC or any judicial or quasi-judicial body comes to another conclusion.

If approved for a loan, and with that understanding, if you would like to have a local government contribution loan form executed by the City, please fill out the form and submit to both Laura Stagner and Mark Hendrickson prior to the submission deadline.

If you dispute the NPV calculation, please contact Mark Hendrickson to discuss.