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**Alachua County Housing Finance Authority
Alachua County Community Support Services
218 SE 24th Street
Gainesville, Florida 32641**

TEFRA Hearing

January 31, 2020

Mr. Shaw: Good morning. My name is James Shaw and I am the Housing Grants Contracts Specialist for the Alachua County Housing Program and the public hearing examiner for today's TEFRA hearing. It is now 9:00 a.m. on Friday, January 31, 2020, and we are here to hold a public hearing as required by the Tax Equity and Fiscal Responsibility Act on the tax-exempt bond issuance and sale for the following development:

A 200-unit multiple building two-story multifamily apartment development to be known as Forest & Village Apartments located at 3101 NE 15th Street, Gainesville, Alachua County, Florida, proposed to be acquired, rehabilitated and equipped by Forest & Village Preservation LP, a Florida limited partnership, or an affiliate thereof or successor thereto, as its initial owner and user. The maximum principal amount of Alachua County Housing Finance Authority Multifamily Mortgage Revenue Bonds for this development is \$26,460,000.

The hearing is now open for public comments.

Mr. Clemons stated that he did not have comments, but he had questions. He asked if there was a match being received or is 100% of the project being financed through these bonds?

Mr. Weeks stated there is a 42 million dollar total project cost. The bond is only one part of it. There is other financing in place. We are only issuing \$26,460,000. We are limited to the amount of money we can issue via bonds because of the amount that is being allocated by the state of Florida.

Ms. Powell stated there are no County funds being used and the Housing Finance Authority (HFA) is not obligated to repay the bonds. The bonds are revenue bonds. The repayment is the project itself and the rent that it generates. There are private lenders who are coming in and funding the money that will be used. Upon completion of the rehabilitation, part of the bonds will be paid back. It will be refinanced with a permanent structure. The money is being provided by lenders who buy the bonds.

Mr. Clemons asked if the bottom line for this particular 200-unit project be 42 million; and will the unit cost be several hundred thousand dollars?

Mr. Weeks stated that the bottom line cost is 42 million and we can provide you with the exact figures if you want them. You are looking at the acquisition cost in addition to the rehab cost.

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Mr. Clemons asked who is on the hook for this project.

Ms. Chan stated what Mr. Weeks communicated to you is the total project cost. Not just the renovation cost and that is just a portion of it. It includes Attorneys, Lenders, Architects, Engineers fees and it is the total package that he quoted to you. This property is over 40 years old and it is high time for a significant makeover.

Mr. Clemons asked if it would be cheaper to knock it down and start it out at \$200,000.00 per person per unit.

Ms. Chan stated that would involve displacing a community of a few hundred people and that could be challenging.

Mr. Clemons asked if the tenants are going to live there while it is being renovated.

Ms. Chan stated that Fairstead Affordable is going to relocate them temporarily offsite and they will come back when the unit is complete.

Mr. Weeks stated that they have some vacant units. They will take some of those tenants and move them from their current unit to a vacant unit while we do the repairs. They will continue to do that until the project is finished. Some of the tenants may be required to relocate offsite if there is not sufficient vacant properties, which will be an additional cost.

Ms. Allen asked who the people that are doing this are.

Mr. Weeks stated Fairstead Affordable is doing this.

Ms. Allen asked if the bonds would be publicly available.

Ms. Chan stated the bonds are private placement bonds.

Mr. Weeks stated in the future we may do public placement bonds, but this project is private.

Ms. Allen asked if Freddie Mac could make changes and could not follow through once they commit to a project.

Mr. Weeks stated Freddie Mac would carry through. He does not know of a situation where Freddie Mac stepped in and changed the deal. Freddie Mac will not be in this deal for a long time and the Bonds will transfer to Capital One afterwards.

Ms. Powell stated Freddie Mac could not change the program. When we close on the bond, a part of the requirement to close is for HFA to issue the bond. Freddie Mac will sign a commitment in connection with all of the lenders in the deal.

It is now 9:16 a.m. and there are no additional public comments for this hearing.

This concludes the public hearing.