

TERRILL L. HILL
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

RUFUS J. BOROM
COMMISSIONER

JUSTIN R. CAMPBELL
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



CITY of *Palatka*
FLORIDA

Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.

TERRY K. SUGGS
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

JASON L. SHAW, SR.
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT

DONALD E. HOLMES
CITY ATTORNEY

October 5, 2016

**TO COMMISSIONERS: MARY LAWSON BROWN, RUFUS BOROM,
JUSTIN CAMPBELL AND JAMES NORWOOD, Jr.:**

You are hereby notified that a Special Called Meeting of the Palatka City Commission is called to be held on Monday, October 10, 2016, at the regular meeting place of the Palatka City Commission, Palatka City Hall, 201 N. 2nd Street, Palatka, Florida, to commence at 5:30 p.m. or as soon as possible thereafter following the Palatka CRA Meeting

The purpose of the workshop meeting is to consider approval the following:
Project Name: Hudson Commons; 4522 Hudson St.; proposed 100-unit multi-family project, request for fee deferral (financing of water and sewer impact fees on a monthly payment basis over a two year period at 5.5% interest rate) in association with Florida Housing Finance Corporation tax credit application.

/s/ Terrill L. Hill

Terrill L. Hill, MAYOR

We acknowledge receipt of a copy of the foregoing notice of a Workshop meeting on the 5th day of October, 2016.

/s/ Mary Lawson Brown

COMMISSIONER

/s/ Justin Campbell

COMMISSIONER

/s/ James Norwood, Jr.

COMMISSIONER

/s/ Rufus Borom

COMMISSIONER

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.

**FLORIDA HOUSING FINANCE CORPORATION
LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION - FEE DEFERRAL FORM**

Name of Development: Hudson Commons,

Development Location: 4522 Hudson St., Palatka, FL 32177 and additional lots
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of Palatka commits to defer \$180,800 in fees for the proposed Development referenced above.

The value of the contribution based on the difference between the face amount of the above-referenced fee deferral and the net present value of its payment stream, inclusive of a reduced interest rate and the designated discount rate (as stated in the applicable RFA) is: \$10,000.

No consideration or promise of consideration has been given with respect to the fee deferral. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this fee deferral must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

CERTIFICATION

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA

Signature

Terry Suggs
Print or Type Name

City Manager
Print or Type Title

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager /Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0663, Florida Statutes, this certification must be signed by the Chair of the Land Authority. Other signatories are not acceptable. The Applicant will not receive credit for this contribution if the certification is improperly signed. To be considered for points, the amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If the Application is not eligible for automatic points, this contribution will not be considered if the certification contains corrections or 'white-out' or if the certification is altered or retyped. The certification may be photocopied.

Please note: This form may be modified by Florida Housing Finance Corporation per Section 67-60.005, F.A.C

(Form Rev. 08-16)

Fee Deferred \$ 180,800

Required Discount Rate (Yearly) 5.52%

Discount Rate by Month 0.46%

Payments by Month	1	2	3	4	5	6	7	8	9	10	11	12
	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533
	13	14	15	16	17	18	19	20	21	22	23	24
	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533	\$ 7,533

NPV of Total Payments \$170,800

Original Amount Deferred \$ 180,800

NPV of Total Payments \$170,800

Value of Contribution \$ 10,000

Betsy Driggers

From: Thad Crowe
Sent: Wednesday, October 05, 2016 5:53 PM
To: Gregory, Justin P.; Tullos, George D.; kenschwing@hotmail.com
Cc: Matt Reynolds; Terry K. Suggs; Betsy Driggers
Subject: RE: NPV Calculation
Attachments: Fee Deferral Calculation Tweaked.xlsx; Tax Credit Fee Deferral Form Draft Rev 10 5 2016.docx

Please note that this item will be on the City Commission agenda for consideration next Monday, Oct. 10 at 5:30 PM at the City Commission chambers at 201 N. 2nd St., Palatka FL. Given that the total water & sewer impact fee for 100 units is \$180,800 the attached calculations & form have been tweaked to meet this slightly lower value than what you proposed (\$183,000). These revised calcs & form will be provided to the Commissioners in their packet.

Thank you,

Thad Crowe, AICP
Planning Director, Building & Zoning Dept.
City of Palatka

From: Gregory, Justin P. [<mailto:Justin.Gregory@mvg.com>]
Sent: Monday, October 03, 2016 1:24 PM
To: Thad Crowe; Tullos, George D.; kenschwing@hotmail.com
Cc: Matt Reynolds; Terry K. Suggs
Subject: RE: NPV Calculation

Hello,

This is what would be deferred, if the payments were made over the course of a year.

Thank you,

Justin Gregory
Financial Analyst
MV Residential Development

Miller-Valentine Group
9349 WaterStone Blvd.
Cincinnati, OH 45249
www.mvg.com
513-588-1228 Direct



EXPERIENCE THE DIFFERENCE



Follow MVG on LinkedIn

From: Thad Crowe [<mailto:tcrowe@palatka-fl.gov>]
Sent: Monday, October 03, 2016 1:07 PM
To: Gregory, Justin P.; Tullos, George D.; kenschwing@hotmail.com
Cc: Matt Reynolds; Terry K. Suggs
Subject: RE: NPV Calculation

Except that we have not extended the financing period beyond one (1) year. So this would be Mr. Reynolds & Mr. Suggs call (of whether to approve a two-year monthly financing arrangement or take it to the City Commission for their approval).

Thad

Thad Crowe, AICP
Planning Director, Building & Zoning Dept.
City of Palatka

From: Gregory, Justin P. [<mailto:Justin.Gregory@mvg.com>]
Sent: Monday, October 03, 2016 1:05 PM
To: Thad Crowe; Tullos, George D.; kenschwing@hotmail.com
Cc: Matt Reynolds; Terry K. Suggs
Subject: RE: NPV Calculation

The attached shows the contribution needed if there are monthly payments made. If done over two years and fixed in the amounts in the spreadsheet, we can get to a contribution of \$10,000. Under this arrangement; the City would start receiving payments a month after they were due, which seems in keeping with the City's policy that you outlined below.

Thank you,

Justin Gregory
Financial Analyst
MV Residential Development

Miller-Valentine Group
9349 WaterStone Blvd.
Cincinnati, OH 45249
www.mvg.com
513-588-1228 Direct



EXPERIENCE THE DIFFERENCE



From: Thad Crowe [<mailto:tcrowe@palatka-fl.gov>]
Sent: Monday, October 03, 2016 12:29 PM
To: Tullos, George D.; kenschwing@hotmail.com; Gregory, Justin P.
Cc: Matt Reynolds; Terry K. Suggs
Subject: RE: NPV Calculation

First of all, thanks for noticing the error of applying the 5.5% interest rate monthly instead of annually. This is what we did with the last tax credit project – offering a monthly rate of 0.46%. As a matter of policy, the City has allowed financing required lump sum payments like impact fees over a one-year period, which does defer some of the fees. To our knowledge, the City has not deferred fee payments for a full year. Staff would require that the City Commission approve such an arrangement since it is a substantive departure from our practices. We could get this on the City Commission agenda for their October 13th if we can quickly get a written request and justification.

Thanks,
Thad

Thad Crowe, AICP
Planning Director, Building & Zoning Dept.
City of Palatka

From: Tullos, George D. [<mailto:George.Tullos@mvg.com>]
Sent: Monday, October 03, 2016 11:10 AM
To: Thad Crowe; kenschwing@hotmail.com; Gregory, Justin P.
Subject: Fwd: NPV Calculation

Thad, see attached as promised....

Thanks!!
George

Sent from my iPhone

Begin forwarded message:

From: "Gregory, Justin P." <Justin.Gregory@mvg.com>
Date: October 3, 2016 at 10:29:46 AM EDT
To: "Tullos, George D." <George.Tullos@mvg.com>
Subject: RE: NPV Calculation

Hello,

When I looked the NPV calculation from the City of Palatka, I wasn't able to back into the contribution value being \$10,000 based on the inputs provided. I when I looked at the excel file and the formulas that were calculating the contribution (which I have attached here); I noticed two things:

Firstly, the NPV calculation from the City assumes a monthly payment over the course of the year towards the fee. Doing this will lower the value of the contribution, versus deferring the full amount for the full year. By itself this isn't a problem if the value of the contribution is atleast \$10,000.

However, secondly, I noticed that the NPV calculation from the City is assuming an interest rate of 5.5% for each period and that there are 12 periods. If the assumption is that the fee deferral is a year; then the rate would need to be $5.5\% / 12$ or 0.46%. As currently modeled, the value of the contribution would be \$10,000, only if the fee deferral is for 12 years and not 12 months.

I have attached a NPV calculation that shows a \$10,000 contribution assuming a 2 year deferral; using the assumption that the yearly discount rate of 5.5%. This I think is the way to defer the least amount of fee for the least amount of time and get the required calculation.

Thank you,

Justin Gregory
Financial Analyst
MV Residential Development

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