

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: February 8, 2018 Board Meeting
Date: February 1, 2018

I. Financial Reports and Budget—Action

1. The Financial Statement for January 31, 2018 is attached. Net assets as of January 31, 2018 are \$1,509,596.37, with \$700,212.03 in cash (\$73,189.07 restricted).
2. All Emergency Repair expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
3. An Expenditure Approval list and bank/SBA statements are attached.
4. **Recommendations:**
 - Accept Financial Statement
 - Approve expenditures detailed on Expenditure Approval list.

II. Emergency Repair Program—Informational

1. The HFA authorized an emergency repair program, for minor repairs that need immediate attention—and are not covered by the County’s SHIP Program. A total of \$30,000 has been authorized for this program. Individual repairs are limited to \$1,650 per home.
2. The total amount of repairs funded through December 2017 is \$19,631.39, with another four homeowners in process (\$3,525). A total of \$6,843.61 remains uncommitted.
3. The County has not requested a reimbursement for expenditures this fiscal year. Ms. Barnes indicates that she will invoice for all work at one time.
4. **Recommendation:** None.

III. Real Estate—Informational

1. The Real Estate Division is responsible for selling surplus properties designated for affordable housing, with proceeds of the sale coming to the HFA.
2. At the request of the Real Estate Division, the HFA prioritized the properties (to avoid spending more money obtaining clear title than the property’s value). Ms. McGhin has been asked to evaluate potential price reductions to induce sales.

3. Chairman Rogers volunteered to work with Ms. McGhin to develop an advertisement for the properties for publication in the Tallahassee Democrat. He reports that she has signed off on Mr. Rogers moving forward with placing the advertisement, and having Ms. McGhin as contact. The advertisement (attached) was placed in the Tallahassee Democrat for publication January 31, and February 4, 7, 11 and 14.
4. Mitzi McGhin reported several months ago (no change for ten months):
 - 114 Osceola Street: Sold 8-29-16 for \$34,100, with net revenue to the HFA of \$32,577.
 - 723 Frankie Lane Drive: Sold 12-1-16 for \$12,000, with net revenue to the HFA of \$11,300.
 - 278 Oakview Drive: Sold 1-5-17 for \$27,300, with net revenue to the HFA of \$26,525.
 - 2109 Holton Street: Sold 2-15-17 for \$6,500, with net revenue to the HFA of \$4,800.
 - Calloway Street Lot: Sold 3-30-17 for \$5,900, with net revenue to the HFA of \$5,200.
 - For sale signs placed on properties in Crown Ridge, with appraisals due December 2, 2016. Several inquiries have been received, but no interest shown after being given sales price.
5. Therefore, the total revenues to the HFA are \$80,402.
6. At the January meeting, Mr. Lamy presented a recommendation related to a revision of the HFA's right of first refusal for affordable housing parcels. He reports that the proposal is now off the table. The HFA has indicated that it is open to partnerships with organizations for use of the land parcels for affordable housing.
7. **Recommendation:** None.

IV. Status of HFA of Leon County DPA Mortgages—Informational

1. In late 2015, the Administrator began researching the public records to determine how many loans had been made where the HFA is the lender on the note and mortgage. This was prompted by the appearance of a loan repayment in an HFA financial report generated by the County.
2. County staff was asked for a list of loans and their status. The staff working with the HFA at that time (none of which are currently working with the County), indicated that there was no list and that they did not know the volume or status of the loans.
3. An initial search of the public records discovered that 261 loans totaling \$1,306,266.28 had been made in the name of the HFA. However, significant research was required to determine the actual status of each loan. Based upon a very rough initial analysis, the estimate at that time was that 141 loans were still outstanding, with a total mortgage volume of \$717,790. That number has been reduced as loan repayments have been received.
4. The basic research has been completed. While a few files are still being reviewed, it appears that many more loans have satisfactions recorded than were initially estimated. This is because many borrowers are still living in their homes, but apparently repaid the DPA loan when they refinanced their home loan. There is no way to retroactively track if loan payments were received, as most of this activity took place 10-15 years ago.

5. The 261 loans have been grouped into three categories:
 - Loan still outstanding: no record of loan satisfaction recording, and original buyer generally still lives in home. However, it appears that eight of these homes are being rented, in direct violation of the mortgage terms
 - Loan Repaid: Satisfaction of mortgage recorded
 - Loan Loss: First mortgage foreclosed, no satisfaction of mortgage recorded, borrower generally no longer living in home

	# Loans	Mortgage Amount
Loan Still Outstanding	89	\$ 490,389.51
Loan Repaid	137	\$ 599,208.98
Loan Loss	35	\$ 216,667.79
TOTAL	261	\$1,306,266.28

6. The loans with recent recorded satisfactions are being checked against payments to the HFA recorded by the County over the past few years.
7. Persons who appear to be renting their home will be contacted about repayment plans.
8. This will be an ongoing project, as the outstanding loans need be checked (public records) annually to determine if there is any change in status.
9. **Recommendation:** None.

V. Escambia HFA Marketing Report—Informational

1. The agreement with the Escambia County HFA requires the HFA to file quarterly marketing reports. A copy of the 4th Quarter 2017 Report is attached.
2. Ms. Leigh will be working to implement a more aggressive marketing strategy this quarter.
3. **Recommendation:** None.

VI. Legal Update—Informational

1. There are no anticipated legal items for this meeting.
2. **Recommendation:** None.

VII. To-Do List—Informational

To-Do Item	HFA	Admin	CAO	SL	NBN	Status	Completed
Prior to October 2015 Meeting							
Set date for Stakeholders Meeting	X					On hold	
October 2015							
Research if old payoffs of DPA loans came to HFA.		X		X		On agenda for February 2018	Done
December 2016							
HFA to seek additional donations of property from lending institutions. Mr. Gay volunteered to draft letter and provide lender contacts.	X					In progress	
March 2017							
The Board requested that an analysis of the remaining properties and the potential for price reductions be put on an HFA agenda						Chairman Rogers working with Ms. McGhin on advertisement	Done. Ad Published

VIII. State Legislative Update—Informational

1. There is \$322.1 million available for appropriation from the Housing Trust Funds.
2. The House and Senate released their initial FY 18-19 budget proposals. The details of the proposed housing budgets are below:

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
Hurricane Recovery: SAIL Line 2225	\$ 25,000,000	\$60,000,000	\$74,180,000	
Hurricane Recovery: SHIP targeted to counties with damage Line 2226	\$ 65,000,000	\$30,000,000	\$48,950,000	
Hurricane Recovery: Farmworker Housing Line 2224	\$ 10,000,000			
Monroe County Land Authority Line 2224		\$10,000,000		
FHFC: General Use Line 2225	\$ 76,300,000	\$114,050,000 At least \$57.025 million SAIL \$10,000,000 grant for housing for persons with DD \$7.025 million undesignated		
FHFC: SAIL Workforce Line 2225	\$ 20,000,000	\$40,000,000 (part of \$104.05 million above)		
SHIP Line 2226	\$ 34,000,000	\$103,800,000		
Homeless Line 2226	\$0	\$3.800,000	\$0	
Catalyst and Homeless Training Line 2226	\$0	\$250,000 Catalyst \$200,000 Homeless	\$500,000 Catalyst	
TOTAL HOUSING	\$230,300,000	\$322,100,000	\$123,630,000	
SHTF SWEEP	\$0	\$0	\$54,600,000	
LGHTF SWEEP	\$ 91,800,000	\$0	\$127,400,000	
TOTAL SWEEP	\$ 91,800,000	\$0	\$182,000,000	
Unallocated SHTF	\$0	\$0		
Unallocated LGHTF	\$0	\$0		

Proviso/Back of the Bill for FHFC

Hurricane Housing Recovery Program (SHIP) and Rental Recovery Loan Programs (SAIL) created in House Implementing Bill.

Additional Homeless Funding				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$4,107,206	345	Grants & Donations TF	DCF
Federal Emergency Shelter Grant Program	\$6,966,640	346	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants	\$4,181,800 House \$3,350,000 Senate	347	GR	DCF
Homeless Housing Assistance Grants Proviso: National Veterans Homeless Support Housing Assistance	\$150,000 Senate	347	Senate Form 2193	
Homeless Housing Assistance Grants Proviso: Camillus House Veteran's Treatment Program	\$441,000 House	347	HB 3251	DCF
Homeless Housing Assistance Grants Proviso: Transition House-Osceola County	\$300,000 House \$200,000 Senate	347	HB 2435 Senate Form 1249	DCF
Homeless Housing Assistance Grants Proviso: Transition House-Bradford County	\$300,000 House	347	HB 3283	DCF
Homeless Housing Assistance Grants Proviso: Citrus Health Network	\$140,800 House	347	HB 3343	DCF
Five Star Veterans Center Homeless Housing & Reintegration Projects	\$150,000 Senate	577A		

Other Projects				
Item	Amount	Line Item	Source	Agency
Habitat for Humanity Neighborhood Infrastructure Senate line 2233A	\$276,783	Senate 2233A	GR	DEO
Building Homes for Heroes	\$2,000,000	Senate 2216	GR Senate Form 2100	DEO
Casa Familia Housing for Adults with Intellectual and DD	\$250,000 Senate \$350,000 House	2216	GR Senate Form 1421	DEO
City of Hialeah Elderly Housing Building Improvements	\$1,000,000 House	2216	GR	DEO

3. Our team is working to encourage the Senate to hold to their full-funding position.
4. Senator Passidomo (R-Naples) and Representative Shaw (D-Tampa) have filed bills (SB 874 and HB 191) which would prohibit use of monies in the Housing Trust Funds for non-housing activities. The legislation has had its intended effect of pushing for higher appropriation levels.
5. Legislation has also been filed which would grant tax exemption to all local HFA notes and mortgages, not just those associated with bond issues. The legislation is sponsored by Senator Perry (R-Gainesville)—SB 730, and by Representative Santiago (R-Deltona)—HB

607. Both bills have been reported favorably by their first committee, allowing them to be amended onto a larger tax cut bill.

6. There are also additional housing bills related to hurricane funding and other housing issues, including HB 987/SB1328 (Rep. Cortes and Sen. Perry), and HB 4361 (housing funding for the Keys from General Revenue by Rep. Raschein). We are monitoring all bills.
7. **Recommendation:** None.

IX. Federal Legislative Update—Informational

1. The US House version of the tax bill, included the elimination of all private activity bonds. Housing bonds would have been eliminated if this bill became law—meaning that no tax-exempt housing bonds or mortgage credit certificates would have been permitted after December 31, 2017.
2. The US Senate’s version of the tax bill did not include elimination of private activity bonds.
3. Florida ALHFA and the Sadowski Education Effort worked with NALHFA and in a coalition with New York, California and Texas housing advocates to push for the preservation of housing bonds. This effort generated coverage in the Wall Street Journal, USA Today, CNBC, Bloomberg News and other national media outlets. Op-Ed pieces were published in the Orlando Sentinel and Miami-Herald, and editorials were published in the Sarasota and Jacksonville newspapers.
4. The final version of the tax bill did not eliminate Private Activity Bonds—so housing bonds and MCC’s are still in business for 2018. However, Chairman Brady of the House Ways and Means Committee is still an opponent of PAB’s, and will likely take another shot at their elimination to create revenue as part of an infrastructure package.
5. **Recommendation:** None.

X. New Business: Travel Authorization—Action

1. The National Association of Local Housing Finance Authorities (NALHFA) annual conference is May 9-12 in New Orleans. Registration is open.
2. **Recommendation:** Authorize travel by Board members to Conference.