

# THE HENDRICKSON COMPANY

1404 Alban Avenue ☞ Tallahassee, Florida 32301  
Telephone: 850-671-5601  
[mark@thehendricksoncompany.com](mailto:mark@thehendricksoncompany.com)

To: Housing Finance Authority of Leon County Board of Directors  
From: Mark Hendrickson, Administrator  
Subject: June 20, 2018 Board Meeting  
Date: June 11, 2018

## **I. Financial Reports and Budget—Action**

1. The Financial Statement for May 31, 2018 is attached. Net assets as of May 31, 2018 are \$1,148,027.95, with \$677,027.89 in cash (\$61,207.58 restricted, once payment for Sam's Lane property received).
2. All Emergency Repair and CDBG expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
  - ✓ Total revenues from property sales: \$82,802
  - ✓ Emergency Repair expenditures since August 2016: \$9,431.42
  - ✓ CDBG rehab: \$12,163
  - ✓ Remaining Restricted Funds: \$61,207.58
3. An Expenditure Approval list and bank/SBA statements are attached.
4. Expenditures for Marketing have exceeded anticipated levels (\$3,474.81 of \$5,000 budget expended, with \$1,500 of expenses related to advertising Escambia Program during Parade of Homes yet to be paid). To give flexibility to HFA action for the remainder of the fiscal year, it would be prudent to increase the line item for Marketing by \$2,500.
5. The Interlocal Agreement with the County requires the HFA to set funding levels for the next fiscal year—for programs to be administered by the County—at the June HFA meeting. The County is requesting \$30,000 for Emergency Repairs, \$1,500 for 2019 Home Expo, and \$1,500 for 2019 9/11 Day of Service (see County memo for details).
6. The HFA must conduct its own audit for FY 17-18. The auditor needs to begin work immediately after October 1. Accordingly, the audit selection should take place by the August HFA meeting. A proposed RFQ for Audit Services has been prepared by the Treasurer, legal counsel and the Administrator (attached). The Finance Committee also recommends the creation of an Audit Committee, with Chairman Lewis to appoint the Committee Chair.
7. **Recommendations:**
  - Accept Financial Statement
  - Approve expenditures detailed on Expenditure Approval list.
  - Approve budget amendment for Marketing, as recommended by Finance Committee
  - Approve County requested funding levels for FY 18-19 budget levels for County

administered programs, as recommended by the Finance Committee, including requirement that the County include the HFA in all promotional items related to the programs and events.

- Approve proposed Audit RFQ, as recommended by the Finance Committee
- Create an Audit Committee, and request that Chairman Lewis appoint a Chair of that Committee

## **II. Emergency Repair Program—Action**

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 October 2017 was \$17,351.43. These repairs were paid by County check with funds drawn from the HFA’s account, leaving \$12,648.57 available for repairs this fiscal year.
3. Since October 2017, the County has been paying for repairs directly, with a plan to request reimbursement from the HFA when all remaining funds are used. This FY, the County has expended or committed \$9,904.94, leaving \$2,743.63 available for additional homeowners needing repairs. Another three clients are shown on the program report without any dollar amount attributed to their case.
4. The County is shifting its focus to making long term solutions instead of a series of emergency repairs (which do not fix the underlying issue). An example would be to replace a septic system rather than performing pump-outs every few months without really fixing the problem. The BOCC has already increased the maximum award from \$1,650 to \$2,500, and County staff will be requesting an increase to \$15,000, with HFA funds to be focused on immediately required short-term repairs.
5. It is important to note that SHIP funds have limits on assistance to mobile homes, with only 20% of the funds allowed to be expended on mobile homes. There are currently 95 eligible low-income homeowners on the County’s waiting list that reside in mobile homes.
6. Mr. Lamy has requested that the HFA increase the per home limit to \$7,500—but only for seniors or persons with special needs that reside in mobile homes. The County is not requesting an increase of the \$1,650 level for stick-built homes or mobile homes in general.
7. **Recommendation:** Approve requested maximum award increase to \$7,500 for seniors or person with special needs that reside in mobile homes.

## **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. An advertisement for the properties was published in the Tallahassee Democrat on five days in January and February. There were no meaningful responses to the advertisement.
2. Previous sales of five properties generated total revenues to the HFA of \$80,402. The Sam’s Lane property was sold in May, with an additional \$2,400 of net revenue—making the total \$82,802.

3. At the April meeting, the Board directed the Administrator to develop a proposed marketing strategy for selling the properties to non—profit organizations. That work is in progress. We are awaiting the completion of the County’s procurement process for a realtor/broker, so that the properties can be placed on the MLS.
4. **Recommendation:** None.

#### **IV. Escambia HFA Marketing Report—Action**

1. The Board authorized up to \$1,500 on a marketing plan that would include advertisement in the Parade of Homes magazine and radio advertisements. The Parade of Homes was May 12-13 & May 19-20. Escambia County HFA, Capital City Bank, and University Lending each committed \$1,000, and OnQ Financial \$500.
2. The Parade of Homes advertisement referenced a web page for readers to get further detail information on the lenders utilizing the First Time Home Buyer program ([www.tallahasseeaparade.com](http://www.tallahasseeaparade.com), page 53). The cost of the ad is \$1,100.
3. A webpage was developed that provides additional detailed information including Lenders names and numbers. The website is OpenOurDoor.net. There are tracking capabilities built into the site, so we will be able to determine the effectiveness of these efforts.
4. Radio stations 96.1 (JAMZ), 99.9 (Hank FM), 103.1 (The Wolf) and 104.9 (Gulf) ran ads during the parade of homes and the preceding weekend to inform potential buyers of the first-time home buyer program. The cost of the ads is \$3,000.
5. The website creation/domain cost is \$500.
6. The basic plan was for HFA of Leon County to pay for the Parade of Homes Advertisement and Escambia County HFA and the lenders to cover the cost of the Radio Advertisement. Additional funds received would allow the website costs to also be paid by Escambia/lenders.
7. Lenders are still reporting on whether there was an increase in activity related to the advertising. University Lending reports that they had “tons and tons of traffic”. It could be useful to invite the lenders to a future meeting to discuss ways to increase loan volume.
8. A review of the Google analytics for the website will need to be paired with a review of actual loans made in the next few months.
9. The cost of maintaining the website for the remainder of 2018 is \$75.
10. **Recommendations:** (1) Authorize payment of \$75 for website, and (2) Invite lenders to August Board meeting.

**V. Legal Update—Action**

1. There are no current pending legal issues. Ethics and Sunshine training is scheduled for this meeting.
2. When the meeting date changed, Mr. Mustian was unable to attend. He requests that the HFA reschedule the Ethics and Sunshine training for the August meeting.
3. **Recommendation:** Schedule Ethics and Sunshine training for August HFA meeting.

**VI. To-Do List—Informational**

To-Do Item	HFA	Admin	CAO	SL	NBN	Status	Completed
<b>Prior to October 2015 Meeting</b>							
Set date for Stakeholders Meeting	X					On hold	
<b>December 2016</b>							
HFA to seek additional donations of property from lending institutions. Mr. Gay volunteered to draft letter and provide lender contacts.	X					In progress	
<b>February 2018</b>							
The Board requested Mr. Lamy to submit his proposal on the emergency repair program in writing, and for the Administrator to analyze the proposal and place on March agenda (deferred until June)		X		X		Proposal received & on June agenda	Done
HFA DPA Loans: The Board requested that contact with borrowers that appeared to be in violation of agreement be contacted with report back to HFA Board in June		X				On hold	
<b>April 2018</b>							
The Board directed the Administrator draft a proposed policy for Board consideration on ways to market the properties to non-profits at a discount.		X				In progress	
Chairman Lewis directed the Administrator to place the training on the Ethics and Sunshine laws on the June HFA agenda					X	Request postponement to August	

**VII. New Business: Florida ALHFA Conference Travel Approval—Action**

1. The HFA travel policy requires Board authorization for travel/attendance at conferences.
2. **Recommendation:** Approve attendance/travel to Florida ALHFA Conference in St. Petersburg, July 11-14, 2018 for Board members Lewis, George, Sharkey, Rogers & Stucks.

**VIII. New Business: Housing Summit or Stakeholders Meeting—Action**

1. The HFA previously held annual “Stakeholders” meetings. In 2015, they were put on hold due to questions about their usefulness.
2. Given the new role of the HFA, and changing programs of the HFA and County, it could be useful to have some type of community meeting this fall.
3. **Recommendation:** Consider stakeholders meeting or Housing Summit for October or November 2018.

**IX. New Business: Community Land Trusts—Action**

1. The City-County Affordable Housing Workgroup recommendations included assessing the feasibility of using a Community Land Trust (CLT).
2. In the CLT model, the underlying land is owned by the CLT (a non-profit), with restrictions on the price of the home when sold. This permits long-term affordability, with the subsidy retained by the land, and not leaving the system as a windfall to the first homebuyer.
3. Surplus lands can serve as a source of the land for a CLT.
4. The City and County would like the HFA to be a partner in this endeavor and recommends training on CLT’s for the HFA Board by the Florida Housing Coalition.
5. The City and County are working on an RFQ to identify an entity to serve as a community land trust. Mr. Lamy requests that the HFA authorize its Administrator to participate in the evaluation process of the organizations that respond to the RFQ
6. **Recommendation:** Determine if HFA would like to pursue this opportunity, and consider authorizing the Administrator to participate in the RFQ evaluation.

**X. New Business: Tallahassee-Leon County Housing Leadership Council—Action**

1. The Housing Workgroup recommended that the viability of a Leadership Council be evaluated. Over the past six months, County and City staff had met with stakeholders, and a decision has been made to move forward with the establishment of a Housing Leadership Council.
2. Please see Mr. Lamy’s memo for details. Among other items, it requests the participation of the HFA on the Council.
3. **Recommendation:** Authorize participation by the HFA and appoint HFA member as representative on the Leadership Council.