

THE HENDRICKSON COMPANY

1404 Alban Avenue ☞ Tallahassee, Florida 32301
Telephone: 850-671-5601
mark@thehendricksoncompany.com

To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: August 23, 2018 Board Meeting
Date: August 16, 2018

I. Financial Reports and Budget—Action

1. The Financial Statement for July 31, 2018 is attached. Net assets as of May 31, 2018 are \$1,138,162.70, with \$667,162.64 in cash (\$61,207.58 restricted).
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. **Recommendations:**
 - Accept Financial Statement
 - Approve expenditures detailed on Expenditure Approval list.

II. Audit Committee Report and Recommendations—Action

1. At the June meeting, the Board approved an RFQ for Audit Services, with a due date of July 19, 2018. Four responses were received in a timely manner were Law Redd Crona & Munroe, Mauldin & Jenkins, The Nichols Group and Thomas, Howell, Ferguson.
2. The Audit Committee met on August 16 and evaluated the proposals. Pursuant to State Law, they are recommending a ranking of the proposals to the full Board, along with other recommendations below
3. The proposed rankings are: (1) The Nichols Group, (2) Law Redd Crona & Munroe, (3) Mauldin & Jenkins, and (4) Thomas Howell Ferguson.
4. **Recommendations:** (1) Ratify Finance Committee meeting as Audit Committee, with Audit Committee Chairman Stucks presiding, (2) Accept the ranking of the Audit Committee, and (3) Direct staff and counsel to negotiate an engagement letter with the top-ranked proposer, and authorize the Chairman to execute,

III. 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 through September 30, 2018, with another \$30,000 committed for FY 18-19. Individual repairs are limited to \$1,650 per home (\$7,500 for senior or persons with special needs that reside in mobile homes).
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 \$12,863.96, leaving \$0 available for additional homeowners needing repairs (technically, \$215.39 over the funding limit, but excess can be applied to next FY allocation).
4. County staff indicate that due to the high volume of rain related emergency repairs, they may be requesting an advance on the FY 18-19 funds this month.
5. **Recommendation:** None at this time.

IV. 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. Sales of six properties generated total revenues to the HFA of \$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. Dan Rigo indicates that the Broker selection is on the September 4 BCC agenda, and he expects a contract to be executed by the end of September.
4. Mr. Rogers and Ms. Leigh have not evaluated the new properties made available for sale.
5. **Recommendation:** None.

V. Lakes at San Marcos Quarterly Occupancy Report—Informational

1. The Board requested that the reports be shared quarterly. The latest report is attached.
2. The development is 98% occupied, up 3% since April.
3. **Recommendation:** None.

VI. Legal Update—Action

1. The HFA and the County entered into an MOU, which among other things, divided the old DPA loans into those with repayments due to the HFA and with repayments due to the County. As a follow-up to the MOU, the HFA General Counsel has proposed an agreement on the procedures and responsibilities of each party when a foreclosure notice is received. A copy of the agreement is attached.
2. The Ethics and Sunshine Training is scheduled for this meeting.
3. **Recommendation:** Approve agreement with County related to foreclosure procedures and authorize the Chairman to execute.

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. At June 2018 meeting, staff directed to move forward with the concept	X					Administrator evaluating	
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	
February 2018							
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	
April 2018							
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	On August Agenda
June 2018							
Board directed staff to obtain the list of the 30 new properties and distribute to Board		X				Emailed	Done
Chairman Lewis directed the Administrator to invite lenders to the September HFA meeting		X					

VIII. New Business: County Staffing—Informational

1. Shington Lamy asked that the Board be informed that the County has hired a new Housing Services Manager—Kevin McCarthy, formerly employed by the Florida Housing Finance Corporation. The Administrator has worked with Kevin, and we anticipate a productive relationship.
2. **Recommendation:** None.