

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: September 13, 2018 Board Meeting
Date: September 6, 2018

I. Financial Reports and Budget—Action

1. The Financial Statement for August 31, 2018 is attached. Net assets as of August 31, 2018 are \$1,162,366.59, with \$691,366.53 in cash_(\$48,559.01 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: \$22,079.99
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$48,559.01
3. At the June HFA meeting, the Board approved \$30,000 for the Emergency Repair Program and in FY 18-19. At the August meeting, the Board approved a request from the County to advance \$11,250 of that amount in FY 17-18. A budget amendment is required to make the expenditure. Additionally, the line item for Travel/Per Diem/Training is \$7,500, and expenditures are \$8,689.04. A budget amendment is needed (increase to \$9,000).
4. A proposed FY 18-19 budget is attached. It is based upon previous Board decision related to funding County programs/activities, and upon projected income and expenses for other items.
5. An Expenditure Approval list and bank/SBA statements are attached.
6. **Recommendations:**
 - Accept Financial Statement
 - Approve expenditures detailed on Expenditure Approval list.
 - Approve budget amendments increasing the Emergency Repair budget for FY 17-18 from \$20,000 to \$24,000 and increasing the Travel/Per Diem/Training line item to \$9,000
 - Approve proposed FY 18-19 HFA Budget

II. Audit Contract/Engagement Letter—Informational

1. At the August meeting, the Board ranked the respondents to the Audit RFQ, directed staff and counsel to negotiate an engagement letter/contract with the top-ranked proposer, and authorize the Chairman to execute. The Board directed that the contract not exceed \$10,000 per year.
2. Counsel and the Administrator negotiated the contract/engagement letter and it will be executed by the Chairman today. The engagement letter requires the auditor to make an in-person presentation of the audit to the HFA, and locks the price at \$10,000 per year (with an escape clause). A copy is attached.
3. **Recommendations:** None.

III. 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 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 September 2018 was \$30,000.
3. At the request of the County, \$11,250 of the FY 18-19 allocation by the HFA to the program is being advanced to the County in September 2018.
4. A new spreadsheet has been created, for all repair costs that are incurred after the payment in August 2018.
5. **Recommendation:** None.

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. Legal Update—Informational

1. Counsel participated in the review and approval of the proposed engagement letter with the Auditor.
2. **Recommendation:** None.

VI. 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	
June 2018							
Chairman Lewis directed the Administrator to invite lenders to the September HFA meeting		X					

VII. New Business: Discussion with Lenders in Escambia Program—Informational

1. The Board asked that lenders in the program who are active in Leon County be invited to the meeting. Susan Leigh is working with lenders to schedule and the goal will be to get them to the October meeting.
2. **Recommendation:** None.