

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: February 14, 2019 Board Meeting
Date: February 5, 2019

I. Financial Reports and Budget—Action

1. The January 31, 2019 Financial Statement is attached. Net assets as of December 31, 2018 are \$1,127,617.98, with \$656,617.92 in cash (\$37,309.01 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 (does not include latest sale—will be added to February statement)
 - ✓ Emergency Repair expenditures since August 2016: \$33,329.99
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$37,309.01
3. An Expenditure Approval list and bank/SBA statements are attached.
4. **Recommendations:**
 - Accept Financial Statements
 - 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 was 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 funded through August 2018 was \$30,000. Another \$11,250 was funded in September, which was an advance on the \$30,000 authorized for FY 18-19 (leaving \$18,750 available for remainder of fiscal year). Another \$11,131 has been expended by the County, \$3,860 allocated, and \$1,170 recaptured (SHIP)—leaving a balance of \$4,929.
3. A new spreadsheet has been created for all repair costs incurred towards the \$30,000 authorized for this fiscal year. Due to its size, it will be emailed this month.
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. Sales of six properties generated total revenues to the HFA of \$82,802. The Dykes Road property was sold last month, with net proceeds to the HFA of \$24,300. The check was not received until February 5—therefore the revenue is not reflected in the January 31 statement.
3. At the November HFA meeting, the Board committed up to \$6,000 for the payment of upfront fees required by Ketchum Realty (matching the County investment). The HFA also authorized working with the County to determine which properties warranted the payment of an upfront fee.
4. The County conducted their procurement process which resulted in the selection in September by the BOCC of Ketchum Realty. The contract was signed in January 2019. The Board directed that a plan be presented to the HFA at the March meeting.
5. A meeting took place January 29, with County staff (Housing and Real Estate) and Mr. Rogers and Ms. Leigh. The real estate staff had prepared a list of properties for our review that they suggested being the first ones that were listed by Ketchum reality. The list is attached and labeled as “Exhibit C”. The properties are the same ones that were matched with properties discussed during full board meetings as ones better sold than used for partnership. The Real Estate Department is doing what is necessary to start the listings.
6. Mr. Rogers and Ms. Leigh met after the meeting and reviewed the remaining properties to determine the disposition of the remainder of the properties. That complete list of properties is also attached.
 - The properties listed as SALE/Ketchum are the ones that are recommended for Sale as the second tier to be listed.
 - Those that are listed as SALE/Partnership could either be put up for Sale or be used for a potential partnership situation.
 - Those listed as Partnership are determined to be good enough sites to be utilized for a new single-family home.
 - Others that have “?” need further review or information from the realtor.
7. There has not been a plan at this point to determine how to market to a non-profit. The thought is to get a list of non-profits from the county and issue an RFA or call for interest in partnership. The recommendation is not to “give” any property but create a partnership where the HFA can facilitate the opportunity to create affordable housing through this program with funds repaid at closing for the property
8. Over the next few months, Ms. Leigh and Mr. Rogers will bring a plan back to the board for their review regarding potential partnerships.
9. The County has received a request from Habitat for Humanity for one of the parcels. See the memo from Shington Lamy for details. This could be an action item.
10. **Recommendation:** None.

IV. Legal Update—Informational

1. There is no update required.
2. **Recommendation:** None.

V. 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	
June 2018							
Chairman Lewis directed the Administrator to invite lenders to the September HFA meeting		X				Lenders indicated they would attend meeting when focused on increased loan volume	
January 2019							
The Board requested that a full report on the contract and the operational plan for marketing the properties be presented to the HFA at the March meeting.		X				Will be on March agenda	

VI. State Legislative Update—Informational

1. The 2019 legislative session begins in March.

Senate President Bill Galvano Appropriations Chair Rob Bradley TED Appropriations Chair Travis Hutson	House Speaker Jose Oliva Appropriations Chair Travis Cummings TED Appropriations Chair Jay Trumbull
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2. The latest (December 2018) revenue estimate for doc stamp distributions into the Housing Trust Funds for FY 19-20 is \$328.2 million. Also available are monies in the trust fund that were neither swept nor appropriated, and some interest earning, bringing the total available for appropriation in FY 19-20 to \$352,378,000 (\$246.93 SHIP/Catalyst and \$105.448 FHFC programs/SAIL). The estimated impact of appropriating all available funds to housing programs:

Program	SAIL	SHIP	Combined Totals
Funding	\$105,448,000	\$246,930,000	\$352,378,000
TDC Produced	\$536,835,597	\$1,329,929,258	\$1,866,764,855
# of Units	2,403	10,796	13,199
Leveraging other \$	\$431,387,597	\$1,082,999,258	\$1,514,386,855
Jobs Created	7,958	22,913	30,871
Economic Impact	\$1,154,991,280	\$3,277,287,304	\$4,432,278,584

3. Governor DeSantis released his proposed budget February 1, and including full funding for housing—using every penny in the trust funds for housing programs and sweeping no monies. Senator Bradley stated that he and President Galvano intend to fully fund housing in the Senate budget. The House will be the focus.

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
FHFC: SAIL Line 2315	\$ 85,448,000			
FHFC: SAIL Workforce Keys Line 2315	\$ 20,000,000			
SHIP Line 2316	\$246,430,000			
Catalyst Training Line 2226	\$ 500,000			
TOTAL HOUSING	\$352,378,000			
SHTF SWEEP	\$0			
LGHTF SWEEP	\$0			
TOTAL SWEEP	\$0			
Unallocated SHTF	\$0			
Unallocated LGHTF	\$0			

4. The SHIP distributions—at full funding—have been calculated for FY 19-20. With all monies in the housing trust funds appropriated for housing, Leon County and the City of Tallahassee would receive a combined \$3,510,107 (County \$1,200,106, City of Tallahassee \$2,310,001). The legislator one-pagers are complete and in the Board Packet.
5. However, we are hearing from multiple members of the legislature a new talking point—“Housing funding isn’t needed because if local governments would just relax regulations and not charge impact fees, housing would be affordable”. We are working on a counter-message, as obviously, this notion is not accurate. Housing is sold for what the market will pay—the same home sold in Naples costs more than if it were sold in Tallahassee. Sellers of homes don’t lower the sales price because they save money with fee reductions. Emergency repairs aren’t less costly because there aren’t impact fees. Down payment assistance is needed whatever the price of housing. And most importantly, the gap that SAIL fills is several million dollars per deal, not a few dollars that would be saved by any regulatory cost reductions.
6. Senator Kathleen Passidomo (R-Naples) filed a bill to prohibit sweeps of the trust funds (SB70). Because she is Majority Leader, she dropped sponsorship of all bills (to keep the House from holding a member of Senate leadership’s bills hostage in negotiations), and Senator Mayfield (R-Melbourne) is now the lead sponsor. While this bill does not absolutely restrict sweeps (it would take a Constitutional amendment to accomplish that), it is an important part of our strategy to keep the pressure for full funding. We are working with various Republican House members to file the House companion, and expect Rep. Plasencia to file it later this month.
7. Other housing bills have been filed or are in the works. Some may have good aspects, and some are simply bad concepts. We will be monitoring and working with legislators to move forward any good policy changes.
8. **Recommendations:** Meet with your legislators to ask them to support the Governor’s proposed budget for full housing appropriations, and not to sweep any of the housing trust funds. It is important to tell the story: We have a crisis, we have the funds to address it, and we have proven programs that work. This isn’t “throwing money at a problem”, it is funding programs that have proven over 25 years that they are effective and attract massive private sector investment in affordable housing.