



HUMAN SERVICES AND COMMUNITY PARTNERSHIP

DATE: June 13, 2019

TO: Chairman Tom Lewis and the Housing Finance Authority of Leon County

FROM: Shington Lamy, Director of Human Services and Community Partnerships
Matthew G. Wyman, Housing Services Manager

SUBJECT: County Staff Report for June 13, 2019

This County staff report is provided by the Leon County Division of Housing Services to the Housing Finance Authority of Leon County (HFA) for the June 13, 2019 HFA meeting. The report presents Housing Services' formal budget request for FY 2020, a proposed amendment to the Interlocal Agreement between the County and HFA, the County Commission action taken on the Magnolia Terrace Apartments bond proposal, and an update on the establishment of a community land trust.

Fiscal Year 2020 Funding Requests

In accordance with the Interlocal Agreement between the County and HFA, the HFA will adopt an estimated budget for County-adopted programs and/or HFA-adopted programs by June 15 prior to the start of each fiscal year. **County staff is requesting that the HFA allocate \$53,000 for Fiscal Year 2020 to the Emergency Short-Term Housing Repair Program, Leon County Home Expo, and the Leon County 9/11 Day of Remembrance and Service.**

Table 2 provides a breakdown of the FY2020 funding request and comparison to the funding allocated by the HFA for FY 2019.

| Table 2. County Funding Request, FY2019 vs. FY2020 | | | |
|---|-----------------|-----------------|--------------|
| <u>Program</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>Diff%</u> |
| Emergency Short-Term Housing Repair Program | \$30,000 | \$50,000 | +67% |
| Leon County Home Expo | \$1,500 | \$1,500 | 0% |
| 9/11 Day of Remembrance and Service | \$1,500 | \$1,500 | 0% |
| Total | \$33,000 | \$53,000 | +61% |

Emergency Short-Term Housing Repair Program

There is great demand for the Emergency Short-Term Housing Repair Program. The initial funding allocated by the HFA in amount of \$30,000 for FY 2019 has been exhausted. The HFA determined that an additional \$15,000 be allocated for the Emergency Short-Term Housing Repair Program for the remainder of the fiscal year during its May meeting. Therefore, Housing staff is requesting a significant increase in funding from \$30,000 to \$50,000 for FY 2020. Based upon performance in FY 2019, an allocation of \$50,000 to the Program would create an expectation to serve approximately 80 households including bridging 33 households to a permanent repair funded via SHIP as well as perform 95 emergency short term repairs. The benefit of this program to the community is significant.

Leon County Home Expo

Historically, the HFA has been a financial sponsor of the Annual Home Expo which offers potential and existing homeowners information on down payment assistance, minor home repair and home maintenance tips. The 2019 Home Expo was held on Saturday, April 13, 2019. Approximately 150 residents participated in this year's event. The Home Expo experience a 35% increase in attendance over the 2018 event. The HFA provided \$1,500 which assisted with promotion and advertising activities. County staff is requesting level funding for FY2020. The next Home Expo will be held in spring 2020.

9/11 Day of Remembrance and Service

The County's 9/11 Day of Remembrance and Service event is held annually to help revitalize an area neighborhood. County staff, community partners and volunteers provide minor home rehabilitation and landscape projects to residents in commemoration of the spirit of community displayed following the tragic events of September 11, 2001. Each year, the 9/11 Day of Remembrance and Service is held on the third Thursday in the month of August. The next event will be held on Thursday, August 22, 2019 at the Lakewood Estate neighborhood located in northwest Leon County off Tower Road. County staff is requesting level funding for FY2020.

Amendment to the Interlocal Agreement

On May 22, 2018 the HFA and the County entered into an Interlocal Agreement to memorialize the continued partnership between the two entities. As required, staff and the HFA Administrator have, and continue, to collaborate on down payment assistance loans issued from October 1, 1998 to September 30, 2008. In pursuit of fully complying with the terms of the agreement, staff and the HFA administrator agree that part of paragraph 5 (a) of the agreement is unnecessary.

Therefore, addendum language has been proposed that seeks to eliminate the contractual obligation of Housing staff to provide quarterly reports and a plan for expenditure to HFA regarding down payment assistance loans. Any proceeds generated from satisfied liens related to the use of State Housing Initiatives Partnership (SHIP) dollars are statutorily required to be returned to the County's SHIP Trust Fund. Once the funds return to the Trust Fund, they are obligated by Florida Statute 420.907-420.9079 to be used for housing activities. The statutory requirement makes the plan for expenditure moot and the quarterly report an exercise in futility.

Staff recommends the execution of the contract addendum (Attachment #1) to maintain compliance and eliminate unnecessary requirements. If executed by HFA, staff expects to bring the amendment before the Board of County Commissioners in pursuit of fully executing the addendum on July 9, 2019.

Magnolia Terrace Bond Issue & Board of County Commissioner Comment

On May 28, 2019, the County Commission approved a Resolution authorizing the Housing Finance Authority of Leon County to issue a \$13 million bond for the acquisition and rehabilitation of the Magnolia Terrace Apartments; a multi-family housing development. During discussion of the agenda item, multiple Commissioners made inquiries that staff consider pertinent to the HFA. Those comments have been summarized and are listed as follows:

“People Focused, Performance Driven”

- County Commissioner Mary Ann Lindley mentioned interest in HFA obligating the developer preferentially use local construction contractors. She added that Career Source Capital Regional programming may add some cost benefits for hiring local skill workers. She also requested HFA consider requiring the developer institute a minority, women small business enterprise preference.
- County Commissioner Nick Maddox requested a mock up drawing or image to illustrate what a Magnolia Terrace apartment unit would look like when renovation was complete. He also inquired about the possibility of the HFA financing single family housing developments.
- County Commissioner Bill Proctor also encouraged the HFA to explore investment in single family housing that could remain affordable in perpetuity.

Community Land Trust

On June 18, 2019 the County Commission will consider staff's recommendation to negotiate and execute an agreement with Tallahassee Lender's Consortium (TLC) to serve as the community land trust for the County. Community land trusts create a permanent inventory of affordable housing and limit gentrification in redeveloping neighborhoods. In a community land trust model a home and the land it sits on are considered separate which allows the sale and transfer of title of the home without selling the land. The land remains a part of a 99-year ground lease that is maintained by a nonprofit organization that serves as the community land trust. The ground lease limits the resale value of the home and ensures that the home remains affordable in perpetuity. Community land trusts can serve specific neighborhoods or an entire county or region. Currently, there are no community land trusts in Tallahassee-Leon County.

On June 18, 2018, the County Commission authorized the County Administrator to issue a request for qualification in conjunction with the City of Tallahassee for organizations that may serve as a community land trust. A joint request for qualification (RFQ) was issued on November 2018 through the City Purchasing Division to identify local organizations that are interested and have the capacity to serve as a community land trust. Responses were submitted from the following organizations:

- Farwest Helping Foundation Corp
- Graceful Solutions, Inc.
- Tallahassee Lender's Consortium (TLC)

An RFQ Committee was established which consisted of representatives from County government, City government, the Tallahassee Housing Authority, and Big Bend Habitat for Humanity. Following review of the submitted responses and presentations of the organizations, the RFQ Committee selected TLC for recommendation to serve as the community land trust for the County and City. TLC's proposal and presentation demonstrated that the organization has the capacity, affordable housing experience, and access to finance required to serve as a community land trust.

TLC's proposal calls for the establishment of a community land trust that will build and maintain a combination of affordable single-family homes and mixed-income multi-family housing developments in Leon County. The single-family homes as well as set aside units in the multi-family housing development would remain affordable in perpetuity. Additionally, community land trust homeowners and tenants would have access to TLC programs and services including financial literacy courses, credit counseling, and home buyer education classes.

As previously mentioned, staff is recommending that the County Commission authorize the County Administrator to negotiate and execute an agreement with TLC to serve as the community land trust for the County. The agreement will provide the frame work for how the County will support community land trust activities through the conveyance of County-owned parcels that have been deemed appropriate for affordable housing by the Board.

The HFA will play an important role in the development of the agreement. Under Leon County Real Estate Policy No. 16-5, the HFA has the right first of refusal to partner with the County on the sale, lease, or donation of County-owned parcels deemed appropriate for affordable housing. The net proceeds from the sale of the properties are provided to the HFA to be utilized exclusively for affordable housing purposes. These parcels could potentially be provided to a community land trust. The HFA could be strategic and financially partner in developing permanent affordable single-family housing and multi-family housing developments through the community land trust. Staff will provide an update on the County Commission actions taken at the June 18th meeting and next steps for the establishment of the community land trust at the next HFA meeting.

FIRST ADDENDUM TO THE INTERLOCAL AGREEMENT

THIS FIRST ADDENDUM TO THE INTERLOCAL AGREEMENT, is made and entered into as of the date last entered below (“Effective Date”), by and between Leon County, Florida, a charter county and political subdivision of the State of Florida (“County”), and the Housing Finance Authority of Leon County, a local government body, corporate and politic (“HFA”). The County and HFA may be referred to collectively herein as the “Parties.”

WHEREAS, the HFA was created pursuant to Chapter 159.604, Florida Statutes, and Ordinance Number 80-39, with the purpose of alleviating the shortage of affordable housing and investment capital for County residents who meet specific income qualifications; and

WHEREAS, Ordinance No. 80-39 was amended by Ordinance No. 17-02 and Resolution No. 17-02 to provide the HFA autonomy to approve its own budget, contracts and policies; and

WHEREAS, on May 22, 2018, the Parties entered into an Interlocal Agreement to memorialize the continued partnership between the Parties as it relates to affordable housing within Leon County and to set forth the duties of each party; and

WHEREAS, the Parties agree to amend the Interlocal Agreement to remove the County’s quarterly reporting, expenditure plan and concurrence obligations regarding funds recaptured from the Down Payment Assistance Loans set forth in Paragraph 5(a) of the Interlocal Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree to amend the Interlocal Agreement as follows:

1. Paragraph 5 (a) shall be amended to read as follows;
 - a. Coordination on the Investment of DPA Loans. The Parties agree to coordinate and collaborate on the investment of any funds that may be recaptured from the Down Payment Assistance Loans issued during the period of October 1, 1998 through September 30, 2008 attached as in Exhibit B (the "Exhibit B DPA Loans") for housing rehabilitation and other strategies provided in the County’s SHIP-LHAP and in accordance with SHIP criteria. ~~The County will provide the HFA, at minimum, quarterly updates regarding funds recaptured from Exhibit B DPA Loans and will submit a plan for expenditure for the same to the HFA, which expenditure will be subject to concurrence by the HFA.~~
2. Except as stated herein, all other terms and conditions set forth herein shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto, through their duly authorized representative, have executed this Agreement as of the date last written below.

Leon County, Florida

**Housing Finance Authority of Leon
County**

Vincent S. Long, County Administrator

Tom Lewis, Chairman

Date: _____

Date: _____

ATTESTED BY:

Gwendolyn Marshall, Clerk of Court &
Comptroller, Leon County, Florida

Jeffrey Sharkey, Secretary
Housing Finance Authority of Leon County

AS APPROVED TO FORM:

Herbert W.A. Thiele, County Attorney

Mark T. Mustian, Attorney
Housing Finance Authority of Leon County