

THE HENDRICKSON COMPANY

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To: Leon County Housing Finance Authority Board of Directors
From: Mark Hendrickson, Financial Advisor
Subject: December 8, 2016 Board Meeting
Date: November 29, 2016

I. Financial Reports and Budget—Action

1. The financial reports will be sent to the Board after receipt—should have reports from County by December 2, and will process after receipt.
2. In October, the Escambia County HFA paid \$5,737.26 to the Leon County HFA as the semi-annual participation fee in the Single Family Program, and \$4,707.92 due to the repayment of a DPA loan. These payments were booked in November, and are reflected on this month's financial statement.
3. **Recommendation:** Accept November 30 financial statement.

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 has been authorized for this program. Individual repairs were limited to \$1,650 per home.
2. The total amount of repairs funded through October is \$11,549.97. The program resumed in October, with eighteen (18) new cases totaling \$18,300 in process. If all of those cases are funded, \$150.03 would remain unencumbered. The November report was not available as of the date of this memorandum.
3. The HFA Board directed that consideration of an increase in funding for this program be placed on the January 2017 HFA agenda.
4. **Recommendation:** None.

III. Real Estate—Informational

1. The Real Estate Division is working on disposing of properties as clear title is obtained. They are also obtaining appraised values.
2. The Real Estate Division reports that Osceola Street property was sold in September (sales price of \$34,100 with net revenue to HFA of \$33,077). Mr. Rigo reported that the Real Estate Division staff is working with TALCOR to list the additional properties on MLS.

3. At the request of the Real Estate Division, the HFA prioritized the properties (to avoid spending more money obtaining clear title than the property's value). A list is attached.
4. Mitzi McGhin reports:
 - 723 Frankie Lane Drive: Cash offer of \$12,000 (appraised value \$13,000). County staff will move forward to close sale now scheduled for December 1..
 - 278 Oakwood Drive: Appraised value \$35,000—County staff showing property to interested party November 29.
 - For sale signs placed on properties in Crown Ridge, with appraisals due December 2. Several inquiries have been received..
5. **Recommendation:** None.

IV. Future Role of HFA—Action

1. Staff has researched the Leon County HFA ordinance, and Mr. Rigo has prepared a list of restrictions that are in the ordinance, but not in Chapter 159 (state statute that governs local HFA's) is attached. This is designed to lead to an ordinance revision that grants the HFA a more independent status, in line with most other local HFA's.
2. Three significant powers are withheld from the HFA, that severely hinder the HFA's independence and ability to move quickly to address issues:
 - Contracts—must be approved by BOCC
 - Budget—must be approved by BOCC as part of County's overall budget
 - Procurement—must follow County process and involves County Purchasing Department
3. The Board voted in June to direct County staff to move forward with an ordinance amendment to accomplish the goal of HFA independence, which would also include a requirement for annual reports from the HFA to the BOCC. At the September meeting, the Board again directed County staff to move forward with this.
4. The Board requested that the Board and Financial Advisor be involved with the drafting and review of any proposed Ordinance changes.
5. County staff has placed an item on the December 13 BOCC agenda, which would authorize a public hearing on proposed HFA ordinance changes for January 24, 2017. The public hearing action is part of the agenda item for the BOCC approval of the legal contract with Knowles Randolph. A copy of the agenda item is attached.
6. At the November HFA meeting, a draft spreadsheet on other County HFA's was distributed. Financial Advisor revised and completed the spreadsheet, which is attached. What the research reveals is that virtually all HFA's in Florida can adopt their own budgets, enter into contracts, and adopt their own procurement policies without additional BOCC approval.
7. Dan Rigo is working on a draft ordinance, which was not complete as of the date of this memorandum. The draft will be reviewed and distributed to the Board prior to the HFA meeting.
8. **Recommendation:** Consider draft Ordinance changes.

V. To-Do List—Informational

To-Do Item	HFA	FA	CAO	LK	LS	Status	Completed
Prior to October 2015 Meeting							
Set date for Stakeholders Meeting	X					On hold	
Seek Independent operational status separate from County. Make specific request to BOCC.	X	X	X		X	Draft Ordinance Amendments Drafted by CAO, and available for December 2016 HFA meeting.	
October 2015							
Research if old payoffs of DPA loans came to HFA.		X			X	In process.	
June 2016							
Board directed Mr. Rigo and Mr. Ross to move forward with sale of properties with the goal of selling as soon as possible to create revenue—for this point in time.			X			Work underway. 1 st sale complete.	Ongoing
September 2016							
Board directed staff to get process moving for HFA independence/required Ordinance changes				X	X	Draft Ordinance Amendments Drafted by CAO, and available for December 2016 HFA meeting.	
November 2016							
Board directed FA to place item related to consideration of additional funding for Emergency Repair Program on January 2017 HFA agenda and to coordinate agenda item and ordinance with the HFA Board and FA		X				Will be on January agenda	
Board directed County staff and Chair to inform BOCC of HFA's successful programs, including the Emergency Repair Program and the funding that resulted in the Kenwood Place development receiving Housing Credits from FHFC	X			X	X		
Board directed staff to utilize the correct name "Housing Finance Authority of Leon County" moving forward		X	X	X	X	Corrected in most places. Ongoing for next month.	
Board directed CAO and County staff to include ability for HFA to adopt its own budget and enter into contracts without additional BOCC approval in Ordinance changes			X		X	Draft ordinance includes these items.	