

# THE HENDRICKSON COMPANY

1404 Alban Avenue ☞ Tallahassee, Florida 32301

Telephone: 850-671-5601

Fax: 850-671-5603

To: Housing Finance Authority of Leon County Board of Directors  
From: Mark Hendrickson, Administrator  
Subject: October 12, 2017 Board Meeting  
Date: October 5, 2017

## **I. Financial Reports and Budget—Action**

1. The Financial Statement for September 30, 2017 is attached. Net assets as of September 30, 2017 are \$1,701,076.81, with \$692,762.84 in cash (\$73,899.04 restricted).
2. The Lakes at San Marcos annual payment was received in September—\$32,421.92.
3. The payment for the Administrator and related expenses was not processed by the County in September. As a result, the payment will be processed this fiscal year and will require a budget amendment of \$3,333.33 for the Administrator line item and \$547.87 for expenses. A revised budget is attached, and will be printed in large format for the HFA meeting.
4. All Emergency Repair expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
5. The cash balance of HFA funds (\$692,762.84) was transferred from the County to the HFA's checking account on October 2. On October 5, \$670,000 was transferred to the HFA's SBA Prime Investment Account.
6. The HFA will now process its own checks. An Expenditure Approval list is attached.
7. **Recommendations:**
  - Accept Financial Statement
  - Adopt Proposed Amended FY 17-18 Budget
  - 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 has been authorized for this program. Individual repairs were limited to \$1,650 per home.
2. The total amount of repairs funded through September 2017 is \$16,351.43, with another two homeowners in process (\$2,250). A total of \$11,398.57 remains uncommitted.

3. Mr. Lamy indicated that the County wished to continue the program at no administrative cost to the HFA. Beginning October 1, this will require an agreement and procedures so that the expenditures can be audited by the HFA's auditor. The basic concept will be to identify the procedures in an MOU, which would detail intake procedures, eligibility, and reporting—with the HFA advancing funds periodically so that the County would be paying vendors, not the HFA.
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. 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). Ms. McGhin has been asked to evaluate potential price reductions to induce sales.
3. Mitzi McGhin reports (no change for six months):
  - 114 Osceola Street: Sold 8-29-16 for \$34,100, with net revenue to the HFA of \$32,577.
  - 723 Frankie Lane Drive: Sold 12-1-16 for \$12,000, with net revenue to the HFA of \$11,300.
  - 278 Oakview Drive: Sold 1-5-17 for \$27,300, with net revenue to the HFA of \$26,525.
  - 2109 Holton Street: Sold 2-15-17 for \$6,500, with net revenue to the HFA of \$4,800.
  - Calloway Street Lot: Sold 3-30-17 for \$5,900, with net revenue to the HFA of \$5,200.
  - For sale signs placed on properties in Crown Ridge, with appraisals due December 2. Several inquiries have been received, but no interest shown after being given sales price.
4. Therefore, the total revenues to the HFA are \$80,402.
5. This month, Ms. McGhin reports that are not new sales or interest in the properties.
6. **Recommendation:** None.

### **IV. Future Role of HFA—Informational**

1. Chairman Rogers, Mr. Hendrickson, Mr. Lamy and Ms. Barnes met on August 2 to discuss the ongoing relationship between the County and the HFA. The meeting was highly productive, with most outstanding issues resolved. The County will draft an MOU for HFA consideration in November, which will detail various items, including the Emergency Repair Program, record retention, mailing address, and website issues.
2. Some initial information on implementation:
  - HFA adopted its own budget in September
  - HFA established checking account and investment account with SBA Prime Fund
  - Accounting system using QuickBooks online established
  - General administrative duties and developer/citizen inquiries to be handled by the Administrator

- General Counsel and the Administrator to develop proposed procurement and travel policies
- Auditor to be hired in time to audit FY 17-18 HFA financials. RFQ to be designed after consultation with County on proper format for coordination with County audit.
- MOU with County needed to govern the Emergency Repair Program records retention, mailing address, and other matters.

3. **Recommendation:** None.

#### V. Legal Update—Informational

1. In September, the Board authorized engagement of Nabors, Giblin & Nickerson as General Counsel, subject to the firm’s agreement to “step into the shoes” of the existing contract (duties and fee schedule) for FY 17-18, with the contract and fees subject to renegotiation for FY 18-19. The firm agreed to these terms, and the contract was executed.
2. **Recommendation:** Accept recommendation of Finance Committee.

#### VI. Old DPA Loans

1. Ms. Leigh has been working on this item. The work is voluminous, and has not been completed. A report will be made upon completion, which will likely decrease the outstanding loan balance shown in the Financial Statement (first mortgage loans have been paid off which were not reflected in initial 2016 analysis, and we are attempting to determine if the HFA’s mortgage was also paid).
2. **Recommendation:** None.

**VII. To-Do List—Informational**

<b>To-Do Item</b>	<b>HFA</b>	<b>Admin</b>	<b>CAO</b>	<b>SL</b>	<b>NBN</b>	<b>Status</b>	<b>Completed</b>
<b>Prior to October 2015 Meeting</b>							
Set date for Stakeholders Meeting	X					On hold	
<b>October 2015</b>							
Research if old payoffs of DPA loans came to HFA.		X		X		More research required.	
<b>December 2016</b>							
HFA to seek additional donations of property from lending institutions. Mr. Gay volunteered to draft letter and provide lender contacts.	X					In progress	
<b>March 2017</b>							
The Board requested that an analysis of the remaining properties and the potential for price reductions be put on an HFA agenda						Request for update sent to Mitzi McGhin	
<b>June 2017</b>							
The Board directed the Administrator to inquire of the County what process was being used to decide who would be funded under the Emergency Repair Program, and to work to establish a system where homeowners that were assisted would receive a letter from the HFA related to their assistance	X			X		Process to be in MOU which will be drafted for HFA consideration in November	
<b>September 2017</b>							
Email copy of Knowles Randolph termination letter to Board		X				Done	Letter emailed to Board
Determine if Nabors Giblin would agree to same contract (price and scope of services), and engage if they agreed		X			X	Nabors Giblin Nickerson firm agreed to same contract terms as KR firm	Contract Signed
Administrator to research if Treasurer and Chair would need to be bonded in order to sign checks		X				Not required by bank	Complete