

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: January 11, 2018 Board Meeting
Date: January 4, 2018

I. Financial Reports and Budget—Action

1. The Financial Statement for December 31, 2017 is attached. Net assets as of December 31, 2017 are \$1,718,472.29, with \$710,969.66 in cash (\$73,439.07 restricted).
2. All Emergency Repair expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
3. An Expenditure Approval list and bank/SBA statements are attached.
4. The HFA Board approved an expenditure of up to \$12,163 to complete rehabilitation on two homes that received CDBG rehab monies from the County. The Board directed that a budget amendment reflecting this expenditure be placed on the agenda.
5. **Recommendations:**
 - Accept Financial Statement
 - Approve expenditures detailed on Expenditure Approval list.
 - Approve amended FY 17-18 Budget

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 are limited to \$1,650 per home.
2. The total amount of repairs funded through December 2017 is \$18,281.39, with another five homeowners in process (\$4,775). A total of \$6,943.61 remains uncommitted.
3. The County has not requested a reimbursement for expenditures this fiscal year. One was anticipated, but not received by the posting deadline for the meeting.
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. Chairman Rogers volunteered to work with Ms. McGhin to develop an advertisement for the properties for publication in the Tallahassee Democrat. He reports that she has signed off on Mr. Rogers moving forward with placing the advertisement, and having Ms. McGhin as contact. The Administrator has contacted Ms. McGhin multiple times to request a complete list of properties.
4. Mitzi McGhin reported several months ago (no change for ten 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, 2016. Several inquiries have been received, but no interest shown after being given sales price.
5. Therefore, the total revenues to the HFA are \$80,402.
6. Shington Lamy advises:

In accordance with the recommendations of the Joint Affordable Housing Workgroup recommendations, we're looking to revise the right of first refusal for affordable housing parcels to provide needed flexibility in the development of affordable housing with local organizations. One of the recommendations of the Workgroup was that the County and City should partner more with local non-profit agencies to increase the stock of affordable housing with a focus on donating lands. We haven't scheduled when we would bring anything to the County Commission as of yet, but would like to have the discussion with the HFA first.
7. **Recommendation:** None.

IV. Legal Update—Action

1. General Counsel (Nabors Giblin) and the Administrator have been working on proposed travel and procurement policies.
2. A copy of the County's Travel Policy was distributed to the Board for review last month. The proposed HFA Travel Policy essentially mirrors the County Policy—except for technical changes and designation of the HFA Board as the body to approve travel.
3. General Counsel has developed a proposed Procurement Policy. This is massively streamlined compared to the County policy. To summarize:

- Expenditures up to \$499.99 that are in the budget may be paid by the Treasury or Administrator using the debit card or check without additional prior Board approval. Expenditures to be reported at next HFA meeting.
- Expenditures between \$500 and \$4,999.99 require prior approval by Board except when a bill is due prior to a Board meeting, the item is in the budget, and the expenditure is approved by both the Treasurer and Administrator (and reported at next HFA meeting).
- Expenditures over \$5,000 require prior Board approval.
- All expenditures are reported to the Board.
- Professional firm selections are to be made by an RFP process, with each RFP to be approved by the Board

4. **Recommendation:** Approve proposed HFA Travel and Procurement Policies.

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	X					On hold	
October 2015							
Research if old payoffs of DPA loans came to HFA.		X		X		More research required.	
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	
March 2017							
The Board requested that an analysis of the remaining properties and the potential for price reductions be put on an HFA agenda						Chairman Rogers working with Ms. McGhin on advertisement	
December 2017							
Agenda budget amendment for Housing Rehabilitation Funding for County		X				On agenda for January 2018	Done
List of properties for sale to be distributed to the Board		X				Attempting to verify list with County Staff	May be done for meeting
Travel Policy and Procurement Policy on January 2018 agenda		X			X	In packet	Done

VI. State Legislative Update—Informational

1. There is \$321.1 million available for appropriation from the Housing Trust Funds.
2. The Governor released his budget recommendations, which include \$230.3 million for housing and a sweep of \$91.8 million from the housing trust funds to general revenue.

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
Hurricane Recovery: SAIL Line 2224	\$ 25,000,000			
Hurricane Recovery: SHIP with limits Line 2224	\$ 65,000,000			
Hurricane Recovery: Farmworker Housing Line 2224	\$ 10,000,000			
FHFC: General Use Line 2225	\$ 76,300,000			
FHFC: SAIL Workforce Line 2225	\$ 20,000,000			
SHIP Line 2226	\$ 34,000,000			
TOTAL HOUSING	\$230,300,000			
SHTF SWEEP	\$0			
LGHTF SWEEP	\$ 91,800,000			
TOTAL SWEEP	\$ 91,800,000			
Unallocated SHTF	\$0			
Unallocated LGHTF	\$0			

- Any funding for housing will likely include large pieces that are targeted to areas of the state most impacted by Hurricane Irma. There will be regular SHIP and SAIL funding at some level, with additional funds distributed through the SHIP and SAIL systems, but with targeting based upon hurricane damage assessments. The mix between the types of funding is largely unknown at this point.
- Our team is working to get Senate funding as high as possible, in anticipation that the House will likely come in at a lower number than the Senate.
- Senator Passidomo (R-Naples) and Representative Shaw (D-Tampa) have filed bills (SB 874 and HB 191) which would prohibit use of monies in the Housing Trust Funds for non-housing activities. While we hope this legislation can move forward, its major purpose is to draw attention to the issue of housing funding and increase pressure in the appropriations process.
- Legislation has also been filed which would grant tax exemption to all local HFA notes and mortgages, not just those associated with bond issues. The legislation is sponsored by Senator Perry (R-Gainesville)—SB 730, and by Representative Hahnfeldt (R-The Villages)—HB 607. A major problem: Rep. Hahnfeldt passed away unexpectedly over the Holidays, so our bill now has no sponsor in the House. We are attempting to get a replacement sponsor. The strategy is to get the bills through at least one committee in both

chambers so that under legislative rules, they could be amended unto a larger tax bill that will develop during the session. The bills will not move forward to passage as stand-alone bills, as all bills relating to tax exemptions will be rolled into a single bill. At this point, I am not optimistic that this effort will be successful in the 2018 Session.

7. There are also additional housing bills related to hurricane funding and other housing issues, including HB 301 (Rep. Cortes), HB 987/SB1328 (Rep. Cortes and Sen. Perry), and HB 4361 (housing funding for the Keys from General Revenue by Rep. Raschein). We are monitoring all bills.
8. **Recommendation:** None.

VII. Federal Legislative Update—Informational

1. The US House version of the tax bill, included the elimination of all private activity bonds. Housing bonds would have been eliminated if this bill became law—meaning that no tax-exempt housing bonds or mortgage credit certificates would have been permitted after December 31, 2017.
2. The US Senate’s version of the tax bill did not include elimination of private activity bonds.
3. Florida ALHFA and the Sadowski Education Effort worked with NALHFA and in a coalition with New York, California and Texas housing advocates to push for the preservation of housing bonds. This effort generated coverage in the Wall Street Journal, USA Today, CNBC, Bloomberg News and other national media outlets. Op-Ed pieces were published in the Orlando Sentinel and Miami-Herald, and editorials were published in the Sarasota and Jacksonville newspapers.
4. The final version of the tax bill did not eliminate Private Activity Bonds—so housing bonds and MCC’s are still in business for 2018. However, Chairman Brady of the House Ways and Means Committee is still an opponent of PAB’s, and will likely take another shot at their elimination to create revenue as part of an infrastructure package.
5. **Recommendation:** None.

VIII. CDBG Advisory Board—Informational

1. Shington Lamy advises that the rules that govern the State’s CDBG Program now require at least 51% of the CATF Advisory Board to be low to moderate-income households.
2. The current Board is comprised of the HFA Board and three low to moderate income residents.
3. The County is working on a proposal to dissolve the current Board and replace it with a Board comprised of three low to moderate income residents plus the Chairs of the HFA and County AHAC. He asked that this item be placed on the agenda for discussion.
4. **Recommendation:** None.