



Housing Finance Authority of Leon County

December 12, 2021

Mr. Vincent S. Long
County Administrator
201 S. Monroe Street
Tallahassee, Florida 32301

Re: Annual Report of the HFA of Leon County: Fiscal Year 2020-2021

Dear Mr. Long:

Pursuant to County Resolution No. R17-02, the Housing Finance Authority is submitting its annual written report to the Board of County Commissioners. The report covers Fiscal Year 2020-2021.

The Housing Finance Authority works closely with County staff to advance affordable housing in our community. We look forward to continuing the productive partnership.

Please contact me if you or any Commissioner has a question about the report or the activities of the HFA.

Sincerely,

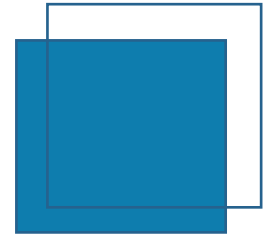
Marnie George
Chair
Housing Finance Authority of Leon County



HOUSING FINANCE AUTHORITY OF LEON COUNTY

ANNUAL REPORT

FY 2020-2021



Background

The HFA of Leon County exists for the purpose of addressing affordable housing needs in Leon County, Florida, by stimulating the construction and rehabilitation of housing through the use of public financing. The HFA of Leon County is empowered to alleviate the shortage of affordable residential housing and to provide capital for investment in such facilities for low, moderate or middle-income families and persons anywhere within Leon County (including within the City of Tallahassee) through the issuance of its mortgage revenue bonds.

Effective October 1, 2017, after an ordinance was approved by the BOCC, the HFA of Leon County was granted all the powers of an HFA under State law. As a result, the HFA began to operate as an independent entity with a separate budget, requirement for an annual independent audit, and requirement for an annual report to the Board of County Commissioners.

A seven-member volunteer board is appointed by the BOCC and governs the Authority.

Programs and Services

The mission of the HFA is to finance apartments affordable to low- and moderate-income families and seniors and to assist first-time homebuyers with the purchase of a home. The HFA also works with the County to fund an Emergency Repair Program and other County housing activities, as well as in partnership with the Escambia County HFA for a first-time homebuyer program. Additionally, the HFA works closely with the County in the disposition of surplus lands designated for affordable housing.

Tax Exempt Bonds

The HFA of Leon County issues tax-exempt bonds to provide funds for below market rate mortgages to homebuyers and financing of affordable rental developments.

Since its creation, the HFA has issued or joined with other counties to issue single-family mortgage revenue bonds or provide loans to first-time homebuyers via other programs. The HFA currently continues its long-term partnership with the Escambia County Housing Finance Authority to provide home loans to first-time buyers

The HFA of Leon County has issued multifamily bonds to finance the construction or acquisition and rehabilitation of apartment complexes. Because the interest paid to the investors who buy these bonds is exempt from federal income tax, the interest rate on the mortgage to the developer is generally lower than conventional interest rates. More importantly, tax-exempt bonds bring automatic federal Housing Credits to each deal—providing private sector equity investment that makes the transaction economically feasible.

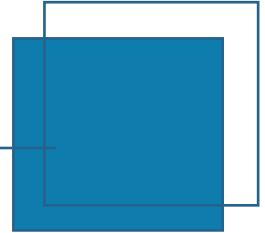
By federal law, developments financed through the issuance of tax-exempt bonds include a requirement that a certain percentage of units be set aside for specific percentage levels of the local area median income. The development is also required to remain affordable for a specific time period.

The HFA encourages investment by private enterprise and stimulates construction and rehabilitation of housing through use of public financing. The HFA is authorized to issue and sell bonds but must seek BOCC approval for each bond issue.

The HFA developed a rental bond application and handbook and is open to developer applications for bond financing. Applications can be received throughout the year and are reviewed for feasibility and public purpose (benefit). This program offers the opportunity to provide multifamily housing with little to no local funding by utilizing federal resources.



Notable Successes for Fiscal Year 2020-2021



Multifamily Bond Activity: The Magnolia Family development is in credit underwriting with expected bond closing in 2022. This is a 130-unit family development that is part of the Orange Avenue redevelopment.

Homeownership Activity: Twenty-five families purchased their first home using \$3.3 million from the program. From 2012 to present, 453 loans were made using \$54.0 million of mortgages in Leon County.

SAIL Application: Provided local contribution that allowed Ridge Road Apartments to apply to the Florida Housing Finance Corporation for SAIL funding. If successful in obtaining SAIL, this will result in 250 new units being constructed on Ridge Road utilizing \$46.75 million of bonds to be issued by the HFA.

Emergency Repair Program: Funded Emergency Repairs for 18 households using \$66,630. Since its beginning in 2016, 90 households have received \$245,080 of emergency repairs. The HFA committed an additional \$75,000 for the program in FY 21-22. The program is administered by the County.

Property Sales: Coordinated efforts with County staff for property disposition which resulted in \$212,284 in revenues from property sales—all to be used to supplement funding for affordable housing programs. Since its inception, \$626,465 of revenue has been generated from the sale of parcels designated by the County for affordable housing.

Bond Application and Handbook: The HFA updated its rental bond application and handbook, providing a more streamlined process and strengthening public purpose requirements such as long-term affordability (minimum of 50 years), resident programs, and significant development and unit amenities.



25 FAMILIES
purchased their first home
using \$3.3 million from
the program

SAIL APPLICATION
will result in 250 new units being
constructed on Ridge Road utilizing
\$46.75 million of bonds

453 LOANS
from 2012 to present, 453
loans were made using
\$54.0 million of mortgages





18 HOUSEHOLDS
utilized \$66,630
for emergency repairs

STRENGTHENING LONG-TERM AFFORDABILITY

The HFA updated its rental bond application and handbook, strengthening public purpose requirements such as long-term affordability

\$626,465
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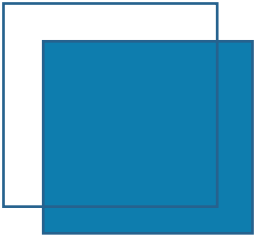
Future Plans for the HFA of Leon County

The Community Land Trust (CLT)

The newest efforts include the HFA's participation in the creation of a Community Land Trust (CLT) which will benefit the citizens of Leon County by having long term affordability for housing in the community. This effort is led by Housing Services, and the HFA is working to support these efforts.

The HFA will play an important role in the development of the CLT. Under the Leon County Real Estate Policy No. 16-5, the HFA is a partner with the County on the sale, lease, or donation of the County owned parcels deemed appropriate for affordable housing. Additionally, the HFA could strategically and financially partner in the development of permanent affordable home ownership and rental housing through the CLT.



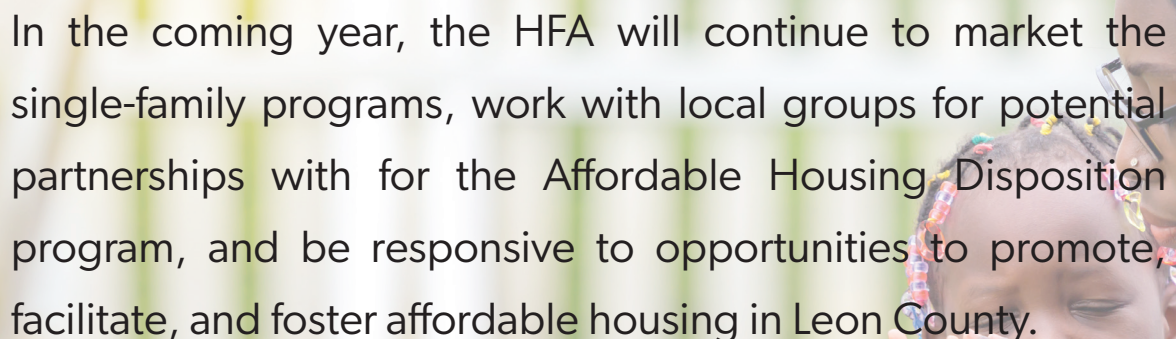


Other Plans

The HFA of Leon County has and will continue to work with County staff to implement public purpose priorities set by the BOCC. An example would be the meetings held with the Housing Authority to assist in the thought process for funding of the Orange Avenue Development Project and exploring any way the HFA could participate.

The HFA operates as an independent entity, but contracts with a Financial Advisory, Legal Counsel and Auditor to conduct its legal, financial and public policy obligations.

The Authority interacts with the Office of Human Services and Community Partnerships under the direction of Shington Lamy for housing policy and programs and with the Office of Financial Stewardship under Scott Ross for the disposition of properties designated for affordable housing.



In the coming year, the HFA will continue to market the single-family programs, work with local groups for potential partnerships with for the Affordable Housing Disposition program, and be responsive to opportunities to promote, facilitate, and foster affordable housing in Leon County.

**HFA OF LEON COUNTY BOARD
2020-2021**

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