

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: May 10, 2018 Board Meeting
Date: May 1, 2018

I. Financial Reports and Budget—Action

1. The Financial Statement for April 30, 2018 is attached. Net assets as of April 30, 2018 are \$1,154,973.92, with \$683,973.86 in cash (\$58,807.58 restricted).
2. Assets were adjusted to reflect the assignment of some of the DPA mortgages to the benefit of the County.
3. All Emergency Repair and CDBG expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
 - ✓ Total revenues from property sales: \$80,402
 - ✓ Emergency Repair expenditures since August 2016: \$9,431.42
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$58,807.58
4. An Expenditure Approval list and bank/SBA statements are attached.
5. **Recommendations:**
 - Accept Financial Statement
 - 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 are limited to \$1,650 per home.
2. The total amount of repairs funded through October 2017 was \$17,351.43. These repairs were paid by County check with funds drawn from the HFA’s account, leaving \$12,648.57 available for repairs this fiscal year.
3. Since October, the County has been paying for repairs directly, with a plan to request reimbursement from the HFA when all remaining funds are used. To date, the County has expended or committed \$4,654.96, leaving \$7,993.61 available for additional homeowners needing repairs. Another nine clients are shown on the program report without any dollar amount attributed to their case.

4. Mr. Lamy has requested) that the HFA increase the per home limit to \$2,500—which will be at the same level as the County now offers. This will allow total repairs up to \$5,000, which would provide a long-term solution with an emergency repair (not major repairs, but enough to fix problem). Mr. Lamy notes that on certain repairs (mobile homes and homes located within the City of Tallahassee), the County would not be able to fund repairs. He has asked that the decision be deferred until the June HFA meeting.
5. **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. Mr. Rogers volunteered to work with Ms. McGhin to develop an advertisement for the properties for publication in the Tallahassee Democrat, which was published in the Tallahassee Democrat January 31, and February 4, 7, 11 and 14. There were no meaningful responses to the advertisement. Subsequently, the Sam's Lane property has been put under contract (\$3,000, less \$600 for survey), with closing scheduled for May 4..
3. Previous sales of five properties generated total revenues to the HFA of \$80,402.
4. At the April meeting, the Board directed the Administrator to develop a proposed marketing strategy for selling the properties to non—profit organizations. That work is in progress.
5. **Recommendation:** None.

IV. Status of HFA of Leon County DPA Mortgages—Informational

1. At the April HFA meeting, the Board approved an Interlocal Agreement with Leon County which divided the DPA loans into two groups (all loans were made in the name of the HFA).
 - HFA keeps all loans made where loan documents were not processed by the Tallahassee Lending Consortium (agent for County SHIP loans)
 - Any repayments made where TLC processed loan documents will be deposited into the County's account and treated as SHIP recaptured funds, with the County reporting on the use of these funds as part of their SHIP reporting. The use of these funds will require agreement between the County and HFA (within SHIP guidelines)
 - All previous repayments deposited into the HFA's accounts will be retained by the HFA
2. An adjustment to the HFA's financials was made to reflect this change.
3. The loans remaining with the HFA have been grouped into three categories:
 - Loan still outstanding: no record of loan satisfaction recording, and original buyer generally still lives in home. However, it appears that eight of these homes are being rented, in direct violation of the mortgage terms
 - Loan Repaid: Satisfaction of mortgage recorded
 - Loan Loss: First mortgage foreclosed, no satisfaction of mortgage recorded, borrower generally no longer living in home

LOANS W/O TLC- HFA RETAINED		
	# Loans	Mortgage Amount
Loan Still Outstanding	33	\$154,869.23
Loan Repaid	50	\$204,018.46
Loan Loss	22	\$109,310.29
TOTAL	105	\$468,197.98

4. **Recommendation:** None.

V. Escambia HFA Marketing Report—Informational

1. The Board authorized up to \$1,500 on a marketing plan that would include advertisement in the Parade of Homes magazine and radio advertisements. The Parade of Homes is May 12-13 & May 19-20.

- Parade of Homes advertisement has been designed and submitted to for the magazine. The advertisement references a web page for readers to get further detail information on the lenders utilizing the First Time Home Buyer program (see ad in package or go to www.tallahassee-parade.com, page 53).
- A webpage has been developed that provides additional detailed information including Lenders names and numbers. The website is OpenOurDoor.net. There are tracking capabilities built into the site, so we will be able to determine the effectiveness of these efforts.
- Radio stations 104.9 and 99.9 will be running an ad during the parade of homes and the preceding weekend to inform potential buyers of the first-time home buyer program

SPRING IS IN THE AIR AND THE PARADE OF HOMES IS HERE AGAIN, THE WEEKENDS OF MAY 12 AND 13TH, AND 19TH AND 20TH - COME OUT AND OPEN OUR DOOR AND WE'LL HELP OPEN THE DOOR TO YOUR NEW HOME! WITH ALL THE ASSISTANCE AVAILABLE TO FIRST TIME HOME BUYERS, THE DREAM OF HOMEOWNERSHIP IS EASIER THAN YOU MIGHT THINK. GO TO OPEN OUR DOOR DOT NET AND SEE ALL THE PARTICIPATING LENDERS. THAT'S OPEN OUR DOOR DOT NET, AND SEE OUR AD IN THE PARADE MAGAZINE! BROUGHT TO YOU BY THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY AND THE HOUSING FINANCE AUTHORITY OF LEON COUNTY.

- These efforts are consistent with our goal of Increased Media Presence for the single-family program
- HFA of Leon County will pay for the Parade of Homes Advertisement and Escambia County HFA and the lenders will cover the cost of the Radio Advertisement

2. **Recommendation:** None.

VI. Legal Update—Informational

1. There are no current pending legal issues. Ethics and Sunshine training is scheduled for the June HFA meeting.
2. **Recommendation:** None.

VII. 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	
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	
February 2018							
The Board requested Mr. Lamy to submit his proposal on the emergency repair program in writing, and for the Administrator to analyze the proposal and place on March agenda (deferred until May)		X		X		Proposal received & on June agenda	
HFA DPA Loans: The Board requested that contact with borrowers that appeared to be in violation of agreement be contacted with report back to HFA Board in June		X				On hold	
April 2018							
Mr. Stucks requested that the Administrator Memo clearly include the funds derived from the sale of County surplus properties, and the amount that had been expended for housing activities.		X				In memo in Financial Reports section	Done
The Board directed the Administrator draft a proposed policy for Board consideration on ways to market the properties to non-profits at a discount.		X				In progress	
Chairman Lewis directed the Administrator to place the sponsorship of the Florida ALHFA conference on the May HFA agenda.		X				On agenda	Done
Chairman Lewis directed the Administrator to place the training on the Ethics and Sunshine laws on the June HFA agenda					X	Will be on June agenda	

VIII. New Business: Florida ALHFA Conference Sponsorship—Action

1. Florida ALHFA takes the lead for local HFA's in relations with FHFC, the legislature, and on federal issues. Florida ALHFA has had great success over the past few years in obtaining resources for and policies favorable to local HFA's.
2. In 2017, the HFA of Leon County was a Silver (\$1,000) sponsor of the Florida ALHFA conference.
3. **Recommendation:** Determine conference sponsorship level.