

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: June 1, 2023, HFA of Leon County Board Meeting
Date: May 24, 2023

I. Financial Reports—Action

1. April 30, 2023, Financial Statement is attached. Total assets as of April 30, 2023, are \$2,018,947.88, with \$1,690,550.31 in cash (\$316,035.35 restricted for housing programs and \$25,000 offset by liability—good faith deposits).
2. All Emergency Repair and CDBG expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures). As of May 24, 2023:
 - ✓ Total revenues from property sales: \$765,278.35 (through 4-11-23)
 - ✓ Emergency Repair expenditures since August 2016: \$370,080
 - ✓ 9/11 Day of Service: \$6,000
 - ✓ Home Expo: \$2,500
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$374,535.35
3. An Expenditure Approval list and bank/SBA statements are attached.
4. **Recommendation:** None.

II. County Request for Funding in FY 22-23—Action

1. The County submitted their funding request for FY 22-23, as follows:
 - Emergency Repair Program \$75,000 (same as this year)
 - Leon County Home Expo \$ 1,500 (same as this year)
 - 9/11 Day of Service \$ 1,500 (same as this year)
2. The HFA agreed to establish funding levels for County programs by June of each year. Given the massive leveraging of HFA funds achieved with the Emergency Repair Program, and high demand for the funds, this is a good investment. The total is also within the required housing expenditures from land sales.
3. **Recommendation:** Approve funding for County programs at levels requested by County.

III. Bond Update—Action

1. **Ridge Road** closed March 8, 2023. Details on the financing are below. The HFA fee received for this transaction was \$182,500.
2. **Magnolia Family** is 42% complete. The **Tallahassee Affordable Housing Portfolio** is 65% complete.
3. The **Tallahassee Affordable Housing Portfolio (TAHP)** owner has requested LURA amendments, an extension of time related to conversion from student housing, and removal of the compliance monitoring agent (letter received 5-5-23). A summary of each issue is below. In the evaluation of the extension request, it was discovered that the development is not in compliance with its required set-asides.
4. **TAHP Set-Asides**
 - The Land Use Restriction Agreements for the Projects require the following set asides: 20% of the available units at or below 50% AMI, and 55% of the units at or below 80% AMI, and 25% at or below 150% AMI.
 - The Borrower has notified the HFA it is experiencing issues in fully meeting the set-asides due to leases in effect prior to closing and insufficient affordable traffic to fill available units.
 - The Borrower has provided information on their current practices and steps they are taking to attain the set-aside requirements (e.g., working with the housing authority and local churches and non-profits, increased marketing, etc.).
 - We are requesting the Borrower provide the HFA and the Credit Underwriter with a written action plan describing the issues and steps it is taking to satisfy the set aside requirements.
5. **TAHP Request to Extend Date for Conversion:** It is not possible to extend the date. Bond counsel has analyzed and concluded that there is not a technical non-compliance with tax law in the current situation so long as the action plan is implemented.
6. **TAHP LURA Amendments:**
 - The Borrower has requested a waiver of the requirement to install or provide:
 - ✓ Ceiling fans in all bedrooms as it is a practical impossibility due to configuration and construction of the building.
 - ✓ Gated Community with “carded” entry or security guards as two of the properties are unable to comply due to abutting public roads. In lieu thereof, security cameras and license plate tag readings are being installed.
 - ✓ After school programming for children on a daily basis. There has been no participating in this program to date and they have engaged Apartment Life who provides day to day supportive services for all residents, including age-appropriate children activities
 - If the Board agrees to such waivers, we will need a motion to approve the waiver of these requirements and to authorize counsel to prepare any documentation necessary to effectuate such waivers, including amendments to the land use restriction agreements, and authorize HFA officials to execute such documents.
7. **TAHP Request to Remove Compliance Monitoring Agent:** It appears to the professional team that TAHP is not familiar with the process for ongoing approvals of construction draws and compliance monitoring, given that their other bond issuers have not had these critical protections in place.

8. **Recommendations for TAHP:** (1) Require Action Plan as detailed above, (2) Grant the request for LURA amendments, and (3) Deny the request to remove AmeriNat as servicer/compliance agent.

Name	Ridge Road
Owner Entity*	ECG Ridge Road, LP
Developer/Location	Elmington Capital Group Nashville, Tennessee
Street Address	Ridge Road WSW of intersection of Ridge Road & Ridge Haven Road
Type	New Construction
Demographic	Family
County Commission District	District 1, Bill Proctor
Units	250
Bedrooms	535
# of Buildings	7 residential buildings (garden); one includes clubhouse, leasing office & fitness center
# of Stories	3
Credit Underwriter	First Housing
Closing Date	March 8, 2023
Bond Request	\$51,000,000 or \$204,000/unit
Permanent Loan Bond Amount	\$23,905,000
Private Placement	R4 Private Placement
SAIL & ELI Funding & NHTF	\$9,800,000
Housing Credit Investor	US Bank
Housing Credits	\$33,256,259
City//County/HFA Funding	\$37,500
TEFRA Approval	4-12-22
Total Cost	\$78,694,846
Total Cost Per Unit	\$314,779
Land Cost	\$695,000
Acquisition of Building Cost	NA
Hard Construction Cost	\$53,905,383 or \$215,622/unit
General Contractor	Elmington Construction, LLC
Credit Enhancement	NA- Private Placement
Set-Aside Period	50 years
Set-Aside Levels	16.4% (41 units) <30% AMI 34.4% (86 units) <60% AMI 49.2% (123 units) < 70% AMI

IV. Bond-SAIL Application and Local Government Support NOFA & Application—Action

1. FHFC has published its proposed timeline for SAIL applications, with a due date of August 3, 2023. This is significantly earlier than last year.
2. To use local HFA bonds and apply for SAIL, the applicant must receive a letter from the local HFA confirming that a bond application has been received and must have a commitment for local financial support. The local support requirement is anticipated to be a loan with a net present value of \$37,500 (which equates to a 0%/20 year/non-amortizing loan of \$57,000).
3. A draft NOFA and application are attached.

4. **Recommendation:** Approve NOFA and application and authorize their publication on the HFA website and distribution to other interested parties, and authorize the Chair to sign any necessary forms for an FHFC SAIL application indicated that an application has been received and that the HFA is committing to provide the require local contribution, subject to confirmation from staff that the application meets the requirements of the NOFA.

V. 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. Individual repairs are limited to \$1,650 per home (\$7,500 for seniors or persons with special needs that reside in mobile homes).
2. The total available for FY 22-23 is \$88,864.53 Through May, \$79,805.56 is encumbered for seven cases.
3. **Recommendation:** None.

VI. 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. Thirteen sales have occurred in 2023, with \$49,844.64 received and another \$58,500 pending receipt.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of May 24, 2023, sales of 108 properties by Ketcham Realty have generated \$658,176.35 paid to the HFA. The total is \$765,278.35.
3. A spreadsheet is attached.
4. **Recommendation:** None.

VII. Legal Update—Action

1. HFA general counsel (Nabors Giblin) will report on their activities. The contract with Nabors Giblin expires October 12, 2023. Staff can work to develop an RFP for general counsel to be considered at the next HFA meeting.
2. The HFA has utilized Bryant Miller Olive as bond counsel due to their role as bond counsel for Leon County. The HFA did not have a separate procurement or contract. At the May 9, 2023, BOCC meeting, the County selected Nabors Giblin as bond counsel.
3. The HFA can continue the policy of utilizing the bond counsel selected by the County or do its own procurement/contract.
4. **Recommendations:** (1) General Counsel: Authorize staff to draft an RFP for procurement for General Counsel, to be considered by the Board at the next HFA meeting, and (2) Decide on whether to continue policy of utilizing the County’s bond counsel or authorize staff to draft an RFP for bond counsel to be considered by the Board at the next HFA meeting.

VIII. To-Do List—Informational

To-Do Item	HFA	Admin	County	NGN	Status	Completed
Meeting Date:						
April 26, 2022						
HFA to invite County MWSBE representative to HFA meeting for presentation on program		X	X		Darryl Jones scheduled to attend November 10 HFA meeting but did not appear. Mr. Lamy to reschedule	
November 10, 2022						
Chairman Sharkey stated that the HFA needed to brief new Commissioners on affordable housing and the HFA	X	X			Mr. Rogers and Mr. Hendrickson met with Commissioner O’Keefe; Mr. White and Mr. Hendrickson to meet with Commissioner Caban	In progress.

IX. State Legislative Update—Informational

- The legislature passed the major housing bill (SB 102) on March 23, and it was signed into law March 29, 2023.** Sadowski Programs are fully funded (\$252 million for SHIP and \$109 for SAIL), \$150 million of doc stamps is added to Sadowski for 10 years (for SAIL), \$100 million of general revenue is appropriated for both Hometown Heroes and a program to provide additional funds for deals in the SAIL pipeline. Total appropriations for housing: \$711 million. There is a contribution in lieu of corporate tax that could generate another \$100 million per year for SAIL and a general revenue appropriation of \$110 million to cover any doc stamp collection shortfalls. **Including homeless programs and member project funding, the total appropriation for housing now exceeds \$1 billion for FY 23-24.**
- The bill has multiple other housing provisions, programs, incentives—all of which are analyzed (attached).
- Our community will receive an estimated \$3,427,786 of SHIP funds for FY 23-24, with the City of Tallahassee receiving \$2,295,246 and Leon County \$1,131,540. The SHIP funding level is up from \$2,841,590 this year, \$1,999,017 in FY 21-22 and \$0 the year before. This is almost entirely from the work of the Sadowski Education Effort funded by local HFA’s. It is important to note that Senate staff fully analyzed SHIP as part of their work on SB 102 and recommended full funding and no changes to the program.**
- Recommendation:** None.

	Final Budget FY 23-24	Governor FY 23-24	Senate & House FY 23-24	Final Budget FY 22-23
FHFC: SAIL & other FHFC	\$150,000,000 (recurring) \$109,000,000 (non-recurring)	\$121,710,000	\$150,000,000 (recurring) \$109,000,000 (non-recurring)	\$28,250,000
SHIP	\$252,000,000	\$280,975,000	\$252,000,000	\$209,475,000
Hometown Heroes				\$100,000,000
TOTAL TF HOUSING	\$511,000,000	\$402,685,000	\$511,000,000	\$337,725,000
Hometown Heroes	\$100,000,000 (General Revenue)	\$100,000,000 (General Revenue)	\$100,000,000 (General Revenue)	
SAIL Pipeline Deals	\$100,000,000 (General Revenue)		\$100,000,000 (General Revenue)	
\$ to Housing Trust Funds to Cover Doc Stamp Revenue Shortfalls	\$110,000,000 (General Revenue)		\$110,000,000 (General Revenue)	
SAIL				\$25,000,000 <i>General Revenue</i>
Hurricane Recovery				\$150,000,000 <i>General Revenue</i>
TOTAL GR FOR HOUSING	\$310,000,000	\$100,000,000	\$200,000,000	\$175,000,000
Live Local Tax Donation Program	\$100,000,000		\$100,000,000	
TOTAL HOUSING	\$921,000,000	\$502,685,000	\$921,000,000	\$512,725,000

FY 23-24: SB 102:

- \$100 million of non-recurring General Revenue for SAIL deals in pipeline, reverting to SAIL if not used for pipeline
- \$100 million of non-recurring General Revenue for Hometown Heroes
- 10-year redirection of doc stamps now going to GR redirected to SAIL, \$150 million/year
- 10-year Tax Donation Program of \$100 million per year for SAIL

FY 23-24: Appropriations Act (both House and Senate):

- \$77 million of General Revenue to Local Government Housing Trust Fund to cover Doc Stamp collection shortfalls
- \$33 million of General Revenue to State Housing Trust Fund to cover Doc Stamp collection shortfalls

Additional Homeless Funding from General Revenue or DCF Trust Funds: \$49,098,038

Item	Amount	Line Item	Source	Agency
Overall Homeless Programs				
Challenge Grants- Rapid Re-Housing- Governor	\$20,016,822	350	GR	DCF
Federal Emergency Shelter Grant Program	\$7,218,119	351	Federal Grants TF & Welfare Transition TF	DCF
Rapid Unsheltered Survivor Housing (RUSH) Grant Program	\$2,260,000	351	Federal Grants TF	DCF
Homeless Housing Assistance Grants (staffing for 27 homeless lead agencies)- Governor	\$5,205,056	352	GR	DCF
Project Specific Funding				
LSF Miami Bridge- Host Homes Program for Homeless Youth	\$300,000	315	GR	DCF
Alpha & Omega Freedom Ministries	\$55,000	354	GR	DCF
Big Bend Homeless Coalition	\$1,095,068	354	GR	DCF
City of Deland- -The Bridge Homeless Shelter	\$500,000	354	GR	DCF
Miami-Dade County Housing First for Homeless Persons	\$562,000	354	GR	DCF
National Veterans Homeless Support	\$150,000	354	GR	DCF
Big Bend Homeless Coalition	\$1,866,973	365A	GR	DCF
Domestic Violence/Homeless Shelter	\$45,000	365A	GR	DCF
One Hopeful Place Homeless Shelter	\$200,000	365A	GR	DCF
Sulzbacher Enterprise Village	\$1,500,000	365A	GR	DCF
Miami-Dade Homeless Trust	\$175,000	378	GR	DCF
Aspire Health Partners- Homeless Veterans Housing	\$1,000,000	387A	GR	DCF
Bridgeway Center- Transitional Housing	\$850,000	387A	GR	DCF
Five Star Veterans Center	\$374,000	593A	GR	DCF
The Transition House Homeless Veterans Program	\$350,000	593A	GR	DCF
St. Lucie County Homeless Veterans Community Village	\$875,000	595A	GR	DCF
Home Again Inc.- St. Johns County Homeless Veterans	\$3,000,000	595A	GR	
Youth Homeless Demonstration Program	\$500,000	2336A	GR	DEO

City of Kissimmee Affordable Housing and Homeless Services Project	\$500,000	2341A	GR	DEO
Youth Homelessness Demonstration Program	\$500,000	2341A	GR	DEO

Other Housing Projects Funded from General Revenue: \$41,687,065

Item	Amount	Line Item	Source	Agency
Senator Nancy Detert Home of Your Own Project	\$15,000,000	243A	GR	Agency for Persons with Disabilities
CASL Permanent Supportive Housing	\$1,500,000	378	GR	DCF
Henderson Behavioral Health- Affordable Housing for People with Mental Health Disorders	\$4,900,000	387A	GR	DCF
Self-Reliance Inc.- Home Modifications/Repairs for Seniors	\$500,000	404	GR	Elder Affairs
St. Augustine Affordable Housing	\$2,300,000	1705A	GR	DEP
Collier County Resilience Project	\$102,500	2336A	GR	DEO
Community Land Trust: NW Florida Affordable Housing	\$122,605	2336A	GR	DEO
Hillsborough Habitat for Humanity- Resilient Homes for Heroes	\$10,000	2336A	GR	DEO
Malibu Groves Home Repair Program	\$250,000	2336A	GR	DEO
NW Florida Affordable Housing for Workforce & Active Duty Military	\$116,960	2336A	GR	DEO
City of Crestview Vineyard Village Low Income Housing	\$750,000	2341A	GR	DEO
City of Palatka- Affordable Housing Initiative	\$2,000,000	2341A	GR	DEO
Collier County Resilience Project	\$4,800,000	2341A	GR	DEO
Community Land Trust: NW Florida Affordable Housing	\$1,200,000	2341A	GR	DEO
Five Points Village Workforce Development Housing Project	\$495,000	2341A	GR	DEO
Florida Studio Theatre Workforce Housing	\$1,500,000	2341A	GR	DEO
Habitat Broward- BBI Village Community	\$540,000	2341A	GR	DEO
Habitat for Humanity of	\$2,000,000	2341A	GR	DEO

Pinellas & West Pasco Counties				
Hillsborough Habitat for Humanity- Resilient Homes for Heroes	\$490,000	2341A	GR	DEO
Homes Bring Hope	\$1,500,000	2341A	GR	DEO
NW Florida Affordable Housing for Workforce & Active Duty Military	\$1,110,000	2341A	GR	DEO
Safe, Secure & Sanitary Housing- Gulf County	\$500,000	2341A	GR	DEO