

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: December 8, 2023, HFA of Leon County Board Meeting
Date: December 1, 2023

I. Financial Reports—Action

1. November 30, 2023, Financial Statement is attached. Total assets as of November 30, 2023, are \$2,239,009.48, with \$1,922,889.25 in cash (\$491,515.95 restricted for housing programs), and no liabilities. **Net revenues for fiscal year FY 22-23 were \$411,436.46, up from the estimate in September (due to additional land parcel sales).**
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 November 28, 2023:
 - ✓ Total revenues from property sales: \$960,758.95 (through 11-28-23)
 - ✓ Emergency Repair expenditures since August 2016: \$445,080
 - ✓ 9/11 Day of Service: \$7,500
 - ✓ Home Expo: \$4,500
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$491,515.95
3. An Expenditure Approval list and bank/SBA statements are attached.
4. The Nichols Group has begun work on the FY 22-23 audit.
5. The FY 23-24 budget that was approved had an error: only one of the two semi-annual payments for Magnolia Family was included. A corrected budget is attached, increasing the budget for that line item from \$18,900 to \$37,800.
6. **Recommendation:** (1) Approve Financial Report and Expenditures, and (2) Approve corrected FY 23-24 budget.

II. Bond Update—Informational

1. **Magnolia Family** is 84% complete. The **Tallahassee Affordable Housing Portfolio** is 77% complete. Ridge Road is 11% complete.
2. A complete “mini application” (bonds and SAIL) was received for **Henderson Heights** (2931 Grady Road/100 units/\$16.42 million bond request). The application is under review.

3. The **Tallahassee Affordable Housing Portfolio (TAHP)** has provided a Plan to remedy outstanding compliance issues. The progress will be monitored by bond counsel and staff. Compliance with required features and amenities as required by the LURA has become an issue. The compliance monitor and counsel are following up with the owner.
4. **Lake Bradford** has an award for SAIL funds and TEFRA approval was given by the BOCC on October 10. A bond allocation request will be filed this year (end-of-year carryforward lotter).
5. **Recommendations:** None.

	Lake Bradford
Developer/ Location	Elmington Capital Group Nashville, TN
Development Location	1131 & 1139 Kissimmee Street City of Tallahassee
County Commission District	Bill Proctor
Type	New Construction Mid-Rise 4-story with elevator
Demographic	Family
HFA Bond Request	\$30,000,000
TEFRA Hearing	9-25-23
TEFRA Approval	10-10-23
Credit Enhancement	TBD
Credit Underwriter	TBD
Closing Date	April 2024
Units	156
Permanent 1st Mortgage Estimate	\$4,755,036
SAIL & ELI (FHFC)	\$7,088,999
City Loan	\$0
HFA Loan Request	\$57,000
Housing Credits	TBD \$22,838,487 \$146,401/unit
TDC	\$55,236,244
TDC per unit	\$354,078
Land Cost	\$2,300,000 14,744/unit
Hard Construction Cost	\$37,905,000 \$242,981/unit
Set Aside Period	50 years
Set Aside Levels	9.615% (15 units) < 80% AMI 55.769% (87 units) < 70% AMI 9.615% (15 units) < 60% AMI 25.000% (39 units) < 30% AMI

III. 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 was \$88,864.53 Through September, \$79,450.95 was encumbered for eight cases, leaving a balance of \$9,413.58 to carryforward. The FY 23-24 new funding is \$75,000, making the balance available \$84,413.58. **The application period opened this week.**
3. **Recommendation:** None.

IV. 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. Five sales have occurred in FY 23-24, with \$49,300 received.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of December 1, 2023, sales of 127 properties by Ketcham Realty have generated \$853,656.95 paid to the HFA. The total is \$960,758.95.
3. There have been two additional sales where payments to the HFA have not been received.
4. A spreadsheet is attached.
5. **Recommendation:** None.

V. Legal Update—Informational

1. At the August meeting, the Board approved contracts for Nabors Giblin as bond counsel and Bryant Miller Olive as HFA general and disclosure counsel.
2. **Recommendations:** None.

VI. Occupancy Reports (Quarterly)—Informational

1. Lakes at San Marcos is 96% occupied, down 2% from last quarter. Magnolia Terrace is 96% occupied, down 1% in the last quarter. Kenwood Place occupancy is 96%, no change from last quarter. Tallahassee Affordable portfolio is 60% occupied and under rehabilitation.

VII. To-Do List—Informational

To-Do Item	HFA	Admin	County	NGN	Status	Completed
Meeting Date:						
August 24, 2023						

Board requested that staff conduct budget workshop for Board members	X	X			Checking with Board on timing	
Board requested update on Tallahassee Affordable Housing Portfolio non-compliance issues		X		X	Ongoing	
Board requested that Mr. Lamy schedule Mr. Jones (MWSBE) for a presentation at the next HFA meeting			X		Scheduled for December meeting	
Board requested that Mr. Marks present information on how surplus properties are selected for the Affordable Housing designation			X		Scheduled for December meeting	

VIII. State Legislative Update—Informational

1. Work has begun on the 2024 session. The focus will be to keep the momentum and focus on housing in the upcoming session.
2. The Division of Bond Finance pushed legislation that would:
 - Eliminate the Regional Bond Pools and replace them with two statewide Housing Pools (MF and SF), with bond allocation available on a first-come, first-served basis, meaning lottery.
 - Required deals to close (assuming an HFA won the lottery on January 1) by September, which is not a realistic timeframe.
 - Roll unused allocation of as of the end of September into a State Pool, which again would be distributed by lottery—with the addition that FHFC could put deals into the lottery (they still would receive an automatic allocation each year).
 - Create a third lottery for carryforward. Therefore, realistically, a deal would have to win three lotteries to move forward.
 - Eliminate the procedural methods HFA’s have used to get current year allocation to carryforward (for use in future years).
3. Florida ALHFA made this the highest priority and met with key Senate and House staff, CAHP, and others to develop a coordinated strategy to derail this proposal. Senator Pruitt and Mark Hendrickson then met with the Division of Bond Finance director and staff to present the reason that this proposal did not work.
4. After multiple negotiations, the Division agreed to modify their proposal to retain regional bond pools and to give local HFAs a path to carryforward for all allocations received (an improvement over the current system). However, Florida ALHFA did agree to a proposal that would reduce the number of regions (necessary to obtain the overall compromise).
5. If the bill is adopted, beginning in 2025, Leon County would be in a multi-county region with Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Gadsden, Liberty, Franklin, Wakulla, Jefferson, Madison, Taylor, Hamilton, Suwannee, Lafayette, Dixie, Columbia and Gilchrest counties. Only Escambia has an active HFA. The

upside—the new Region would have a \$101.4 million allocation compared to the current \$28.4 million. The flip side—the HFA of Leon County would need to cooperate with the Escambia County HFA to make sure both receive a fair share of the regional allocation. This would also be beneficial as our current Regional allocation is often insufficient to finance even one multi-family development and there is no path to carryforward.

6. In the 2023 legislative session, record levels of housing appropriations were made. 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 last year, \$1,999,017 in FY 21-22 and \$0 the year before.
7. **Recommendation:** None.

IX. New Business: Annual Report—Action

1. The HFA is required to submit an annual report to the BOCC. A draft report was distributed for comments, and none were received. The graphics person is working to make it look professional. The report will be ready to submit before December 31, 2023.
2. **Recommendation:** Approve FY 2022-2023 Annual Report.

X. New Business: 2023 HFA Meeting Calendar—Action

1. A proposed 2024 HFA meeting calendar is attached. We are proposing moving most meetings to the 3rd Friday of the month, as Friday's work better for those involved in the legislative process.
2. The attached calendar is subject to the availability of the auditorium. The County Extension person who handles booking of the room has been contacted and will report on availability before the HFA meeting. Adjustments may be necessary based upon availability of the room.
3. **Recommendation:** Adopt proposed 2024 meeting calendar.

XI. New Business: Annual Election of Officers—Action

1. The HFA's bylaws call for the annual election of officers at any regularly scheduled meeting. The bylaws call for this to be the last item on the agenda. The Chair is limited to two consecutive terms—therefore, **Dr. Sharkey is not eligible for re-election** to the Chair.
2. The term of the officers will be calendar year 2024. In addition to the Chair, the other officers are currently Vice-Chair (Mr. Rogers), Secretary (vacant) and Treasurer (Mr. Gay). Ms. Milon serves a Chair of the Audit Committee
3. **Recommendation:** Elect officers.