

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: January 19, 2024, HFA of Leon County Board Meeting
Date: January 12, 2024

I. FY 22-23 Audit—Action

1. The Nichols Group has completed the HFA Audit for FY 22-23. The Audit Committee will meet before the Board meeting to make a recommendation to the Board. Ms. Esther Nichols will be at the meeting to present the Audit.
2. **Recommendation:** Accept the FY 22-23 HFA Audit, if recommended by the Audit Committee.

II. Financial Reports—Action

3. December 31, 2023, Financial Statement is attached. Total assets as of December 31, 2023, are \$2,319,799.35, with \$2,003,679.12 in cash (\$517,492.44 restricted for housing programs), and no liabilities.
4. 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 January 1, 2024:
 - ✓ Total revenues from property sales: \$986,735.44 (through 1-1-24)
 - ✓ 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: \$517,492.44
5. An Expenditure Approval list and bank/SBA statements are attached.
6. The Nichols Group has begun work on the FY 22-23 audit.
7. 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.
8. **Recommendation:** Approve Financial Report and Expenditures.

III. Bond Update—Informational

1. **Magnolia Family** is 90% complete. The **Tallahassee Affordable Housing Portfolio** is 77% complete. Ridge Road is 19% complete. MWSBE tracking forms are attached for Magnolia Family and Ridge Road.
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. The site is not currently zoned for the intended use and the application will be shelved until proper zoning is obtained.
3. The **Tallahassee Affordable Housing Portfolio (TAHP)** provided a Plan to remedy outstanding compliance issues. The progress is being 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 as the issues have not been fully resolved.
4. **Lake Bradford** has an award for SAIL funds and TEFRA approval was given by the BOCC on October 10. A bond allocation request for \$30,003,213 was received (entire regional allocation). The HFA is on the waitlist for additional allocation.
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	\$35,000,000
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

IV. 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 in December, with no households approved to date (applications in process).**
3. **Recommendation:** None.

V. 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. Seven sales have occurred in FY 23-24, with \$75,276 received.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of January 1, 2024, sales of 129 properties by Ketcham Realty have generated \$879,633.95 paid to the HFA. The total is \$986,735.44.
3. A spreadsheet is attached.
4. **Recommendation:** None.

VI. Legal Update—Informational

1. Bond and General Counsel will present any updates.
2. **Recommendations:** None.

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			Held in December	Done
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	Done
Board requested that Mr. Marks present information on how surplus properties are selected for the Affordable Housing designation			X		Scheduled for December meeting	Done
December 8, 2023						
Board directed Mr. Hendrickson to include information on minority and women owned business participation in the Ridge Road and Magnolia Family transactions and to include more detail on who (by income) would be served in the developments financed by the HFA		X				Done
Board discussed how the HFA could work in alignment with MWSBE goals. Ms. Henry and Ms. Milon volunteered to work with Mr. Hendrickson on the issue with the goal of bringing specific recommendations to changes in the HFA process to a future HFA meeting.	X	X			Work not completed	

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 have eliminated Regional Pools and otherwise disrupted the work of Local HFAs.
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. With the Governor's proposed budget, the community would receive SHIP funding for FY 24-25 of \$2,779,380, with the City of Tallahassee receiving \$1,859,127 and Leon County \$920,253.
7. Legislation has been introduced to modify portions of the Live Local Act, removing industrial zoning from the affordable housing override, changing some height overrides, and other technical issues. A summary is attached.
8. **Recommendation:** None.

IX. Other Business: Annual Report—Action

1. The HFA submitted the Annual Report prior to the December 31, 2023, deadline. A copy is attached.
2. **Recommendation:** None.