

# THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors  
From: Mark Hendrickson, Administrator  
Subject: April 18, 2024, HFA of Leon County Board Meeting  
Date: April 10, 2024

## **I. Financial Reports—Informational**

1. March 31, 2024, Financial Statement is attached. Total assets as of March 31, 2024, are \$2,363,136.79, with \$2,047,016.56 in cash (\$515,992.44 restricted for housing programs), and no liabilities.
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 February 15, 2024:
  - ✓ Total revenues from property sales: \$986,735.44 (through 3-15-24)
  - ✓ Emergency Repair expenditures since August 2016: \$445,080
  - ✓ 9/11 Day of Service: \$7,500
  - ✓ Home Expo: \$6,000
  - ✓ CDBG rehab: \$12,163
  - ✓ Remaining Restricted Funds: \$515,992.44
3. An Expenditure Approval list and bank/SBA statements are attached.
4. **Recommendation:** None.

## **II. Bond Update & Occupancy/Construction Reports—Action**

1. **Magnolia Family** is complete and leasing. The **Tallahassee Affordable Housing Portfolio** is 77% complete. **Ridge Road** is 40% complete.
2. **Magnolia Family:** The Tallahassee Housing Authority has requested approval to change the name of the development from “Magnolia Family” to “Columbia Gardens at South City”. The HFA has no basis to not approve the request (letter attached).
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. An updated report will be made at the HFA meeting.

4. **Ridge Road** is requesting approval of changes to the General Partner and Developer entities. A part of the ownership of each is being transferred from entities controlled by the principals of Elmington to another entity controlled by the principals of Elmington. The changes have been approved by FHFC and the credit underwriter and have been reviewed by HFA counsel. The change has no material impact upon the HFA or its loan.
5. **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. Elmington has reached a tentative agreement to bring the Tallahassee Housing Authority in as a partner. A formal request will be forthcoming for the HFA to approve the change in ownership structure.
6. **Recommendations: (1) Magnolia Family:** Approve request to change name, and (2) **Ridge Road:** Approve ownership change requests.

	Lake Bradford
<b>Developer/ Location</b>	Elmington Capital Group Nashville, TN
<b>Development Location</b>	1131 & 1139 Kissimmee Street City of Tallahassee
<b>County Commission District</b>	Bill Proctor
<b>Type</b>	New Construction Mid-Rise 4-story with elevator
<b>Demographic</b>	Family
<b>HFA Bond Request</b>	\$35,000,000
<b>TEFRA Hearing</b>	9-25-23
<b>TEFRA Approval</b>	10-10-23
<b>Credit Enhancement</b>	TBD
<b>Credit Underwriter</b>	TBD
<b>Closing Date</b>	April 2024
<b>Units</b>	156
<b>Permanent 1<sup>st</sup> Mortgage Estimate</b>	\$4,755,036
<b>SAIL &amp; ELI (FHFC)</b>	\$7,088,999
<b>City Loan</b>	\$0
<b>HFA Loan Request</b>	\$57,000
<b>Housing Credits</b>	TBD \$22,838,487 \$146,401/unit
<b>TDC</b>	\$55,236,244
<b>TDC per unit</b>	\$354,078
<b>Land Cost</b>	\$2,300,000 or 14,744/unit
<b>Hard Construction Cost</b>	\$37,905,000 \$242,981/unit
<b>Set Aside Period</b>	50 years
<b>Set Aside Levels</b>	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. Interlocal Agreement with Leon County—Informational**

1. The HFA and County have entered into Interlocal Agreements in 2018 and 2021. The HFA approved an amended Interlocal Agreement with the County extending the agreement for three years.
2. The BOCC approved the amendment on April 9.
3. **Recommendation:** None.

### **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. The program was amended in March 2024, and the current limits are:
  - Maximum award \$3,000 for regular homeowners
  - Maximum award \$15,000 for elderly or persons with special needs
2. The FY 23-24 new funding is \$75,000, with \$6,350 carried forward, making the balance available for FY 23-24 \$81,350. **The application period opened in December, with one household (\$12,000) encumbered.**
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 April 1, 2024, sales of 129 properties by Ketcham or Hamilton Realty have generated \$879,633.95 paid to the HFA. The total is \$986,735.44.
3. A spreadsheet is attached.
4. There are two completed sales totaling \$26,900 (funds not received) and three pending sales for \$33,100.
5. **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	BMO	Status	Completed
<b>Meeting Date:</b>						
<b>August 24, 2023</b>						
Board requested update on Tallahassee Affordable Housing Portfolio non-compliance issues		X		X	Ongoing	
<b>December 8, 2023</b>						
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	
<b>March 15, 2023</b>						
Board requested presentation on homeless programs			X		Abigail Thomas scheduled to make presentation at April HFA meeting	X
Board requested information on Hillsborough HFA Up & Out Homeless Program		X			Distributed via email	X

**VIII. State Legislative Update—Informational**

1. The 2024 session is complete. The budget includes full funding for housing.
2. Beginning in 2025, Leon County will 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.
3. For FY 24-25, The House and Senate budgets would provide \$2,292,421 of SHIP funds for the community, with Tallahassee receiving \$1,533,400 and Leon County receiving \$759,021.
4. **Recommendation:** None.