

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: June 14, 2024, HFA of Leon County Board Meeting
Date: June 6, 2024

I. Financial Reports—Informational

1. May 31, 2024, Financial Statement is attached. Total assets as of May 31, 2024, are \$2,435,337.90, with \$2,119,217.670 in cash (\$559,592.44 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 March 6, 2024:
 - ✓ Total revenues from property sales: \$1,030,335.44 (through 5-2-24)
 - ✓ 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: \$559,592.44
3. An Expenditure Approval list and bank/SBA statements are attached.
4. **Recommendation:** None.

II. County Request for Funding in FY 24-25—Action

1. The County submitted their funding request for FY 24-25, 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, 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 & Occupancy/Construction Reports—Informational

1. The **Tallahassee Affordable Housing Portfolio** is 77% complete. **Ridge Road** is 64% complete.
2. 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.
3. **Lakes at San Marcos** is 97% occupied, no change from last quarter. **Magnolia Terrace** is 95% occupied, up 1% in the last quarter. **Kenwood Place** occupancy is 99%, up 3% from last quarter. **Tallahassee Affordable Portfolio** is 69% occupied and under rehabilitation. **Columbia Gardens at South City (Magnolia Family)** is 46% occupied, up 44% from last quarter.
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 or 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. 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 two households (\$29,900) encumbered. From Jelani Marks:

Most of the current eligible projects are being funded by SHIP Emergency Repair, Rehabilitation/Replacement, or the SHIP Disaster Recovery Program recently launched in response to the tornadoes.

For several of the projects that were anticipated to be funded by HFA Emergency Repair, the project quotes came in higher than the HFA's maximum award once the properties had been inspected and we had to realign them with SHIP.

There are several applications being currently processed that we anticipate will be funded by the HFA.

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 May 2, 2024, sales of 132 properties by Ketcham or Hamilton Realty have generated \$923,233.44 paid to the HFA. The total is \$1,030,335.44.
3. A spreadsheet is attached.
4. There is one closed sale (funds not received) for \$8,200 and three pending sales for \$21,499.
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
Meeting Date:						
August 24, 2023						
Board requested update on Tallahassee Affordable Housing Portfolio non-compliance issues		X		X	Ongoing	
December 8, 2023						
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	
April 18, 2024						
Board requested that staff prepare a list of potential program options with a budget of approximately \$100,000 per year, and that they distribute a capital stack example from FHFC homeless deals		X			In progress	
Dr. Sharkey asked that Ms. George, Mr. Lohbeck and he consider asking community partners to match a \$100,000 HFA investment	X				In progress	

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.