

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: November 15, 2024, HFA of Leon County Board Meeting
Date: November 6, 2024

I. Financial Reports—Informational

1. October 31, 2024, Financial Statement is attached. Total assets as of October 31, 2024, are \$2,654,739.14, with \$2,338,618.91 in cash (\$528,491.44 restricted for housing programs), and \$50,000 in liabilities (good-faith deposit).
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 October 11, 2024:
 - ✓ Total revenues from property sales: \$1,075,734.44 (through 11-2-24)
 - ✓ Emergency Repair expenditures since August 2016: \$520,080
 - ✓ 9/11 Day of Service: \$9,000
 - ✓ Home Expo: \$6,000
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$528,491.44
3. A list of October and November expenditures approved and paid and bank/SBA statements are attached.
4. The audit for FY 23-24 has begun.
5. **Recommendation:** None.

II. Bond Update & Construction Reports—Action

1. **Lake Bradford** is scheduled to close December 11, 2024. The developer has requested issuance of bonds in an amount not of \$35 million. The credit underwriting is complete, and the deal is ready for Board action. Bond counsel has prepared and distributed a resolution that gives final approvals necessary to sell and close bonds, including [summary only, please read resolution for full description]:
 - Approval of substantially final forms of Governmental Note documents including the Funding Loan Agreement, Borrower Loan Agreement, and Land Use Restriction Agreement,
 - Approval of the final Credit Underwriting Report,
 - Authorization of the issuance of the Governmental Notes (subject to the parameters in the Resolution),
 - Authorization of the private placement of the Governmental Notes with Allianz Life

- Insurance Company of North America, or other designee of R4 Capital Funding LLC,
- Official appointment of RBC Capital Markets, LLC as Placement Agent in connection with the Governmental Notes,
- Official appointment of Seltzer Management Group, Inc., as compliance monitor, financial monitor, and construction/loan servicer,
- Official appointment of U.S. Bank Trust Company, National Association, N.A. as fiscal agent, and
- Authorization of appropriate Board members and members of the HFA to execute documents and take all other actions necessary and not inconsistent with the terms of the Resolution.

The development will be mixed income, with units targeted to families at 30% AMI, 60% AMI, 70% AMI, and 80% AMI. The families at 30% AMI will have project based rental assistance. For a family of four, the income limits are \$26,610 (30% AMI), \$53,220 (60% AMI), \$62,090 (70% AMI), and \$70,960 (80% AMI). All are adjusted up or down based upon actual family size and are also adjusted each year.

The development has met all the requirements of the HFA to move forward with final approvals.

2. Occupancy and Construction status reports will now be on a spreadsheet and distributed quarterly.
3. The **Tallahassee Affordable Housing Portfolio (TAHP)** provided a Plan to remedy outstanding compliance issues. Compliance with required features and amenities as required by the LURA became an issue. The compliance monitor and counsel are following up with the owner as the issues have not been fully resolved.
4. **Recommendations:** Lake Bradford: Adopt Resolution drafted by bond counsel granting final approvals for the sale of bonds and other matters.

	Lake Bradford
Developer/ Location	Elmington Capital Group & Tallahassee Housing Authority Nashville, TN & Tallahassee, FL
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	9-25-23/8-26-24
TEFRA Approval	10-10-23/10-8-24
Credit Enhancement	Private Placement to R4
Credit Underwriter	Seltzer
Closing Date	12-11-24
Units	158
Permanent 1st Mortgage Estimate	\$18,829,000
SAIL & ELI (FHFC)	\$6,184,700
City of Tallahassee Loan	\$1,000,000
HFA Loan Request	\$57,000
Housing Credits	R4 \$21,426,000 \$135,608/unit
TDC	\$55,501,646
TDC per unit	\$351,276
Land Cost	\$2,325,990 or 14,721/unit
Hard Construction Cost	\$35,464,679 \$224,460/unit
Set Aside Period	50 years
Set Aside Levels	9.5% (15 units) < 80% AMI 55.1% (87 units) < 70% AMI 10.8% (17 units) < 60% AMI 24.7% (39 units) < 30% AMI

III. Emergency Repair Program—Informational

1. The HFA funds an emergency repair program, for minor repairs that need immediate attention—and are not covered by the County’s SHIP Program. 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 24-25 new funding was \$75,000, with \$53,199.60 carried forward, making the balance available for FY 24-25 \$128,199.60. Two households have completed assistance in FY 24-25 (\$26,750.15 spent), and another three are in progress with funds encumbered (\$23,400). Remaining available funds are \$78,049.45.

3. **Recommendation:** None.

IV. Real Estate—Informational

1. The Real Estate Division is responsible for selling surplus properties designated for affordable housing, with sale proceeds coming to the HFA. Two sales have occurred in FY 24-25, with \$7,700 received and \$10,700 pending.
2. To date, sales of 145 properties (by the Real Estate Division, Ketcham Realty and Hamilton Realty) generated total revenues to the HFA \$1,075,734.44.
3. A spreadsheet is attached.
4. **Recommendation:** None.

V. Legal Update—Informational

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

VI. 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			Capital stack distributed Program option on agenda	Complete
Dr. Sharkey asked that Ms. George, Mr. Lohbeck and he consider asking community partners to match a \$100,000 HFA investment	X				In progress	

VII. State Legislative Update—Informational

1. The 2024 session is complete. The budget includes full funding for housing. Work on the 2025 session has begun.
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. Staff have reached out to Escambia County concerning 2025 bond allocation. An update will be provided at the HFA meeting.
4. 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.
5. **Recommendation:** None.

VIII. New Business—Homeless Program—Informational

1. The Board requested that staff present program options for a homeless program with a potential budget of \$100,000 per year. Research on other HFAs revealed only one successful program—the HFA of Hillsborough County Up and Out Program.
2. The Up and Out Program provides monthly rental assistance to families leaving the homeless system into affordable housing for a two-year period. The assistance is equal to approximately 50% of the tax credit rent. The program is limited to apartments that are HFA or FHFC financed or are approved by HFA staff (to avoid giving assistance to families moving to substandard housing).
3. The program works through an intermediary organization that provides case management to the families and assists them in finding housing. The HFA funds the organization, who in turn provide the rental payments to the apartment owners.
4. The cost to the HFA would be approximately \$600 per month per client, or \$7,200 per year. There could possibly be additional assistance for security deposits needed. A program with 10 clients could fit within a \$100,000 budget.
5. If the Board is interested in pursuing this program, the next step would be to reach out to the County/City to see if there is an interest/need for a program of this type.
6. **Recommendation:** Discuss potential program and give guidance to staff.

IX. New Business—Escambia HFA Single Family Program—Informational

1. The homeownership program with Escambia County is producing very few loans. In the last fiscal year, only four loans were made in Leon County.
2. The primary reason is that the downpayment assistance provided by Escambia is only \$10,000. Staff have reached out to Escambia HFA to determine if they would be interested in a program that would increase the DPA amount using additional funds from the HFA of Leon County. A report on those discussions will be presented at the meeting.
3. An investment of \$100,000 per year could increase loan volume, with 10-20 families served.
4. **Recommendation:** Discuss potential program.

X. 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. The graphics person is working to make it look professional. The report will be ready to be submitted before December 31, 2024.
2. **Recommendation:** Approve FY 2023-2024 Annual Report.