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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: September 18, 2025, HFA of Leon County Board Meeting
Date: September 8, 2025

I. Financial Reports—Action

1. August 2025, Financial Statement is attached. Total assets as of August 31, 2025, are \$2,809,270.11, with \$2,493,149.88 in cash (\$549,391.44 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 a direct housing expenditure). As of September 3, 2025:
 - ✓ Total revenues from property sales: \$1,098,134.44 (through 8-5-25)
 - ✓ Emergency Repair expenditures since August 2016: \$520,080
 - ✓ 9/11 Day of Service: \$10,500
 - ✓ Home Expo: \$7,500
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$547,891.44
3. A list of September expenditures approved and paid, and bank/SBA statements are attached.
4. **Recommendation:** Accept Financial Reports.

II. Proposed Budget for FY 2025-2026—Action

1. A proposed FY 25-26 budget is attached. It is based upon previous Board decisions related to funding County programs/activities, and upon projected income and expenses for other items. The proposed budget is conservative in revenue estimates.
2. The budget:
 - Continues Florida ALHFA Membership: Issuer (\$1,000) & Gold Conference Sponsor (2,500) and increases SEE Contribution (\$5,000, up from \$2,500)
 - Expenses with anticipated increases
 - Leon Arms bond closing fees
 - Revenue from existing bond developments
 - Reduction in Land Parcel Sales to \$0
 - Administrator contract at rate agreed to in contract for FY 25-26
3. **Recommendation:** Approve proposed FY 2025-2026 budget.

III. Administrator/Financial Advisor Contract—Action

1. The current contract is for a three-year term ending September 30, 2024, with options for up to two 1-year renewals. The first one-year renewal option was approved by the Board for the period of October 1, 2024- September 30, 2025.
2. The 2021 contract established the Administrator Fee for both potential extensions at \$56,000 for October 1, 2024, through September 30, 2025, and \$58,000 for October 1, 2025, through September 30, 2026.
3. **Recommendation:** Consider amendment to the current contract exercising the option for a one-year extension through September 30, 2026.

IV. Tallahassee Affordable Housing Portfolio—Informational

A. Background

1. On April 26, 2022, the HFA issued bonds in the amount of \$70,553,565.10 to finance the acquisition and rehabilitation of three properties. The HFA loaned the proceeds of the Bonds (the "Loan") to AHPC Social Tallahassee LLC, AHPC HUB Tallahassee LLC, and AHPC Social 1600 LLC (collectively, the "Borrowers") to finance the costs of acquiring, rehabilitating, and equipping (i) a 168-unit multifamily rental housing facility known as Social 1600 to be rented to persons or families of moderate, middle, or lesser income located at 1600 Old Bainbridge Road, Tallahassee, Leon County, Florida; (ii) a 168-unit multifamily rental housing facility known as The Hub to be rented to persons or families of moderate, middle, or lesser income located at 1303 Ocala Road, Tallahassee, Leon County, Florida; and (iii) a 134-unit multifamily rental housing project known as Social Tallahassee to be rented to persons or families of moderate, middle, or lesser income located 1327 High Road, Tallahassee, Leon County, Florida (collectively, the "Property").
2. The owner failed to complete all agreed upon rehabilitation of the Property and has requests related to that issue on the agenda. The Property has low occupancy (75%), partially due to the failure to rehabilitate all the units. The Property has also had poor compliance monitoring reports with many files not correctly verifying income (correctable, but the need for correction only identified because of the monitoring).
3. The owner requested that the 50-year compliance period and the monitoring by AmeriNat be terminated. Staff and Counsel rejected those requests which were withdrawn.
5. The owner has also stated that without relief, the bonds would go into default. While the HFA has no financial risk, it is preferable to avoid bond defaults.
6. The Borrowers desired to refinance the Series 2022A Bonds and the Loan and make additional capital improvements to the Property with the proceeds of a new tax-exempt "qualified 501(c)(3) bonds" to be issued by the Public Finance Authority, a joint powers commission created under the laws of the State of Wisconsin. The HFA gave the necessary consents, and the HFA's bonds were redeemed on June 6 by a refunding bonds issued by the Public Finance Authority of Wisconsin.
7. The HFA's LURA remains in effect.

8. The outstanding requests from the bondholder were.
 - Replace HVAC units as the existing ones end their useful life, rather than immediately
 - Waiver of ADA requirements for High Road and Ocala properties
9. The Board asked the owner for additional information on the waiver requests and ability to achieve the required amenities. A copy of the response and related material is attached.

B. Present Situation

1. Chairman Rogers and Ms. Leigh visited the three properties to observe the physical characteristics and condition of the properties (Ocala, High Road, and Bainbridge). The Bainbridge property is the newest of the three. Executive Director Barbara Cocciolo and the new regional manager were present.
2. The issues that were discussed included the potential for meeting the ADA requirements that were provided for within the LURA for each of the properties.
3. The request to waive the requirement for upgrading A/C units provided in the completion of the rehab due to lack of funds needs to be considered.
4. Chairman Rogers and Ms. Leigh provided further insight into the Board's intent which boiled down to that it was not acceptable for the developer to unilaterally determine that the work could not be completed.
5. Chairman Rogers requested that the developer determine what might be possible that would be within their financial capability and to come back to the Board with a proposed plan. He also suggested to work with the city on their energy efficiency programs as a source of funding.
6. This plan was to include some basic due diligence that identified the number of substandard A/C units and the various levels of efficiency and a timeline to replace these units. In addition, it has been requested that the owner determine the cost differential to upgrade and provide an estimate of the cost burden to the tenants by not having more efficient units.
7. The owner provided the information and may still have a more specific plan prior to the Board meeting in terms of the replacement of the A/C units. Those letters and documents are attached as exhibits.
8. Within their responses the owner provided that the compliance of the Bainbridge Property as ADA Type B is consistent with what was required by FHFC at the time of construction. Exhibit C provides a definition of what that means, but basically, units were to be modified as needed or requested.
9. The properties are still challenged with occupancy issues and one of the properties has a building that is not in use due to fire and there is a claim that is being negotiated regarding that building. The building is a complete loss, but the Insurance Company feels that somehow it would be able to be rehabbed. Physically and structurally it looks like a complete loss.
10. The current requests from the owner:

- Substitute seven (7) additional ADA hearing accessible units at the Bainbridge property for the requirement for full ADA Section 504 compliance at the three properties
 - Allow the continued replacement of all existing HVAC units on a case-by-case basis rather than immediate replacement of HVAC units that do not meet the SEER 2 14.3 rating, focusing on units of less than SEER 14.
11. The Board should take into consideration the cost benefit of their decision and the impact on the tenants and the financial viability of the properties.

C. Recommendations—Item Deferred Until October at Request of Owner

1. Require that the LURA requirements stay as they are, or
2. Approve the proposal submitted by the developer; or
3. Request specific performance/plan at a greater level than proposed
 - a. A shorter time frame for the HVAC to be replaced – such as 5 years. This should be specific and reasonable
 - b. All buildings that are utilized by the public (clubhouse – pool) should be made accessible even if the units are not
 - c. Address any other specific concerns that the Board feels important, or
4. Defer action to September meeting to give more time to analyze.

V. Bond Update & Construction Reports—Action

1. Occupancy and Construction status reports are attached.
2. Due to the timing of FHFC's SAIL RFA, staff released a NOFA and Application for local government support needed to apply for SAIL funding. A requirement of the local support is that the developer utilize HFA of Leon County bonds. The substance of the NOFA and Application have not changed. The due date is October 3.
3. A \$50 million bond allocation was received. The HFA can carry forward that allocation for use anytime from 2026-2028 for multi-family bonds. A new \$50 million single-family Plan of Finance is needed for 2026. Bond counsel has prepared a resolution.
4. A new bond application was received for the acquisition and rehabilitation of Leon Arms, an older Section 8 property located on Holton Street. A complete analysis is attached.
5. Elmington has requested approval of minor ownership changes to entities within the transactions (letters attached). The changes have no adverse impact on the HFA. Counsel advises that action is needed on Ridge Road but not Lake Bradford, due to minor differences in the documents.
6. **Recommendations:** (1) Ratify staff action to publish the NOFA and Application for Local Government Support for SAIL, (2) Adopt Plan of Finance Resolution prepared by Bond Counsel, (3) Leon Arms: Adopt Inducement Resolution prepared by bond counsel, and (4) Consent to ownership changes requested by Elmington for Ridge Road.

	Leon Arms
Developer/ Location	Sunrise Affordable Housing Group Palm Beach, FL
Development Location	2502 Holton Street 32310 City of Tallahassee
County Commission District	Bill Proctor
Type	Acquisition and Rehabilitation Garden/10 Residential Buildings/Concrete 1-2 Stories
Demographic	Family
HFA Bond Request	\$15,000,000
TEFRA Hearing	TBD
TEFRA Approval	TBD
Credit Enhancement	Berkadia Private Placement
Credit Underwriter	TBD
Closing Date	2 nd Quarter 2026
Units	100
Permanent 1st Mortgage Estimate	\$14,040,000
SAIL & ELI (FHFC)	\$0
City Loan	\$0
HFA Loan Request	\$0
Housing Credits	Berkadia \$7,599,979 \$76,100/unit
TDC	\$23,066,290
TDC per unit	\$230,663
Land Cost	\$500,000 or 5,000/unit
Building Cost	\$6,500,000 or \$65,000/unit
Hard Construction Cost	\$8,778,000 or \$87,780/unit
Set Aside Period	50 years
Set Aside Levels	100.0% (100 units) < 60% AMI

VI. 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 \$39,899.60 carried forward, making the balance available for FY 24-25 \$114,899.60. This year, five households have completed repairs, four are in progress, and one is approved with work quotes being obtained. The remaining available funds are \$939.19.
3. **Recommendation:** None.

VII. 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. Three sales have occurred in FY 24-25, with \$30,100 received. **There are no pending sales and there are only three properties left on the available list.**
2. To date, sales of 146 properties (by the Real Estate Division, Ketcham Realty and Hamilton Realty) generated total revenues to the HFA \$1,098,134.44.
3. A spreadsheet is attached.
4. **Recommendation:** None.

VIII. Legal Update—Informational

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

IX. To-Do List—Informational

To-Do Item	HFA	Admin	County	BMO	Status	Completed
Meeting Date:						
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	

X. Production of New Rental Housing—Informational

1. The Board established a goal of saving HFA funds to be able to coordinate with the City and County to produce new rental units.
2. The BOCC asked the HFA to work with County staff to bring back a proposal to their June budget workshop.
3. A copy of the proposal by County staff is attached. It was approved by the BOCC for FY 25-26 and provides \$500,000 per year of County funds for gap financing. The HFA would be heavily involved with the review/analysis of all applications for funding.
4. **Recommendation:** None.

XI. State Legislative Update—Informational

1. The 2026 legislative session begins in January. The P5 Group and Bascom Communications have again been engaged. Committee meetings begin in October. Meetings have been held with the Florida Realtors, Florida League of Cities and Florida Association of Counties staff to coordinate strategy.
2. Leon County/Tallahassee will receive \$2,292,421 of SHIP (County \$759,021, City \$1,533,400).
3. **Recommendation:** None.