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To: Housing Finance Authority of Leon County Board of Directors

From: Mark Hendrickson, Administrator

Subject: October 17, 2025, HFA of Leon County Board Meeting

Date: October 10, 2025

I. Financial Reports—Action

1. September 2025 end of fiscal year, Financial Statement is attached. Total assets as of September 30, 2025, are $2,828,664.89, with $2,512,544.66 in cash ($549,391.44 restricted for housing programs), and $0 in liabilities.

2. Net revenue for FY 24-25 was $262,027.78. The budget projected net revenue of $179,000.

3. 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 October 6, 2025:
   - ✓ Total revenues from property sales: $1,098,134.44 (through 8-5-25)
   - ✓ Emergency Repair expenditures since August 2016: $595,080
   - ✓ 9/11 Day of Service: $10,500
   - ✓ Home Expo: $7,500
   - ✓ CDBG rehab: $12,163
   - ✓ Remaining Restricted Funds: $472,891.44

4. A list of October expenditures approved and paid, and bank/SBA statements are attached.

5. **Recommendation:** Accept Financial Reports.

II. 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 (63%), 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.

6. The owner has also stated that without relief, the bonds would go into default. While the HFA has no financial risk, it is preferrable to avoid bond defaults.

7. 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.

8. The HFA's LURA remains in effect.

9. 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

10. 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. <u>Present Situation</u>

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). 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 and the requirement for upgrading A/C units provided in the completion of the rehab due to lack of funds needs to be considered.

3. Chairman Rogers and Ms. Leigh communicated that it was not acceptable for the developer to unilaterally determine that the work could not be completed.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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
   - Replace 20 HVAC units per year over the next five years, with HVAC replacements focused on lowest rated AC units

10. The owner has also been working on a fire that took one building/8 units off-line. A demolition permit has been applied for, and the public adjuster had the required asbestos testing performed on the property. The owner is now seeking quotes for the remediation as asbestos was detected. Once the remediation is completed, demolition permits will be obtained. The owner plans to rebuild but may reduce the number of units depending on the cost. This is work in process and the owner will advise the Board once a clear plan is determined.

11. A management change took place over the summer, and the owner is hopeful this will make a difference in occupancy. The new management company is working with the Housing Authority to get units approved for vouchers.

12. The owner is considering the request of the Board to accelerate the replacement of the A/C units that are below standard (SEER 2 -14.3 rating), evaluating available cash flow to meet the request. A response is expected prior to the meeting, but not in time to provide within the Board Package.

13. Although ADA could be achieved in a few more areas of the properties (clubhouse and a few units); from a cost perspective on an already financially stressed property, additional work does not make economic sense.

14. Because the properties are using other names as DBA, below is a chart to keep them straight.

Address	DBA	Legal Name	Units
1327 High Road	Acasă High Road	AHPC Social Tallahassee LLC	134
1303 Ocala Road	Acasă Ocala	AHPC HUB Tallahassee LLC	168
1600 Old Bainbridge	Acasă Bainbridge	AHPC Social 1600 LLC	168

15. 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:**

1. Authorize LURA amendments for:
   - Waive the ADA requirements except as agreed to in the developer request to provide for additional hearing-impaired units in Bainbridge
   - 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
   - Accept the owner's proposal to replace 20 HVAC units per year over the next five years
   - Address any other specific concerns that the Board feels important

III. Bond Update & Construction Reports—Informational

1. 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 was approved by the HFA, with a TEFRA hearing scheduled for October 15. Once approved by the BOCC, it can be used to apply for bond allocation in 2026.

2. The Leon Arms development has a TEFRA hearing scheduled for October 15. Once approved by the BOCC, it can be used to apply for bond allocation in 2026.

3. A new monthly occupancy/construction report has been created and is attached.

4. **Recommendation:** None.

	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 **TEFRA Approval**	10-15-25 TBD
Credit Enhancement	Berkadia Private Placement
Credit Underwriter	TBD
Closing Date	2nd 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

IV. 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. For FY 24-25, eight households have completed repairs ($81,245.81), one has construction in progress ($15,000), and one is approved with work quotes being obtained ($15,000). The remaining available funds are $3,653.79.

3. For FY 25-26, new funding is $75,000, with $33,653.79 carried forward, making the balance available $108,653.79.

4. **Recommendation**: None.

V. 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.

VI. Legal Update—Informational

1. Bond and General Counsel will present updates.

2. **Recommendations**: None.

VII. 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	

VIII. 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 County is working on a NOFA for $750,000 of gap financing. The HFA would receive and evaluate applications and make recommendations to the BOCC for funding. A copy of the NOFA will be brought to the meeting.

3. After completion of the NOFA, an application will need to be created.

4. **Recommendation**: None.

IX. 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.

X. Annual Report—Informational

1. The HFA is required to submit an annual report each fiscal year by December 31.

2. A draft report will be handed out at the meeting. Please take the report and review, and provide comments via email before the November meeting, where a final report will be presented for approval.

3. **Recommendation:** None.