

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: April 9, 2020 Board Meeting
Date: April 6, 2020

I. Communications Media Technology Meetings

1. The existing Florida law does not permit public meetings of local entities, including HFA's, unless a quorum is physically present at the meeting (other members can join by phone, subject to approval of the Board and with sufficient cause).
2. Because of COVID-19, meetings cannot be held that meet that requirement. Based upon an Attorney General's opinion and the Governor's Emergency Declaration, legal counsel throughout Florida have concluded that meetings held solely by media technology (teleconference, Zoom, etc.) are permitted, so long as the governing Board adopts a policy on what are called Communications Media Technology (CMT) meetings, and care is taken to allow public participation.
3. Mr. Mustian has drafted a CMT Policy for the HFA, and will discuss the procedures at the beginning of the meeting.
4. **Recommendation:** Adopt CMT Policy drafted by HFA counsel.

II. Financial Reports and Budget—Action

1. The March 2020 Financial Statement is attached. Net assets as of February 29, 2020 are \$1,267,762.17, with \$827,742.49 in cash (\$208,836.66 restricted).
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).
 - ✓ Total revenues from property sales: \$338,079.66
 - ✓ Emergency Repair expenditures since August 2016: \$117,080
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$208,836.66
3. An Expenditure Approval list and bank/SBA statements are attached. Because of the COVID-19 situation, generating paper checks and obtaining signatures is not practical at the present time. In the interim, an ACH/electronic check system has been initiated with Capital City Bank. Expenditures are authorized by the Chair and Treasurer as they are paid. All expenditures made between Board meetings will be placed on the Expenditure Approval list for the next meeting after payment. The Administrator is not authorized to initiate payments to the Administrator, with the Treasurer handling these. All other expenditures are authorized online by the Administrator after approval by the Chair and Treasurer.

4. **Recommendations: None**

- Accept Financial Statements
- Approve expenditures detailed on Expenditure Approval list.
- Approve ACH/electronic check payment system as described above

III. Active Bond Applications—Informational

1. The HFA published a NOFA for bond applications for developments that would also seek SAIL funding from FHFC. The NOFA is “open”, meaning applications are on a “first-come first-evaluated” basis.

2. **Magnolia Family:**

- An application with correct fees was received for **Magnolia Family**, and the HFA induced the development at the December 2019 meeting.
- The development applied for SAIL funding, and the consensus analysis is that the deal is likely to be funded. That would make the bond deal feasible and the developer is moving forward.
- The TEFRA hearing has been held, and BOCC consideration of approval is scheduled for April 28.

3. **Magnolia Terrace:**

- The bond sale was given final approval in February and was scheduled to close in March.
- However, due to market turmoil, the pricing of the bonds is on hold until a market at an appropriate rate is established. The issue of rehabilitation of occupied units is also a problem.

4. **Recommendation: None**

Name	Magnolia Family	Magnolia Terrace
Owner Entity*	Country Club Magnolia Family, LP	LIH Magnolia Terrace, LP
Developer/Location	New Affordable Housing Partners, LLC Atlanta, Georgia Tallahassee Housing Economic Corporation Tallahassee, Florida	Levy Affiliated Holdings Santa Monica, CA 90401
Type	New Construction	Acquisition and Rehabilitation Garden
Street Address	Canton Circle, 150' SW of the intersection of Canton Circle & Country Club Drive	509 East Magnolia Dr, Tallahassee, FL 32301
County Commission District	District 1, Bill Proctor	District 1, Bill Proctor
Units	130	108
Bedrooms	252	232
# of Buildings	5 residential buildings	17, 15 residential, 1 community room, and 1 office/laundry
# of Stories	3	2
Bond Request	\$15,000,000 \$115,385/unit	\$11,550,000 or \$106,944/unit
Housing Credit Investor	TBD	\$6,119,513 \$0.8955 per \$1 HC

		\$56,662/unit
TEFRA Approval	TBD	5-28-19
Total Cost	\$24,623,515	\$21,283,066
Cost Per Unit	\$189,412	\$197,065
Land Cost	\$0—Ground Lease from Tallahassee Housing Authority \$0//unit	\$648,000 or \$6,000//unit
Acquisition of Building Cost	NA	\$8,452,000 or \$78,259/unit
Hard Construction Cost	\$16,314,670 \$125,497/unit	\$6,096,877 \$56,453/unit
General Contractor	TBD	Wilshire Pacific Builders, LLC
Credit Enhancement	TBD	Fannie Mae/CBRE
Set-Aside Period	50 years	30 years
Set-Aside Levels	10.0% (13 units) <33% AMI for 15 years, then 60% AMI 90.0% (117 units) <60% AMI	100% of the 108 units <60% 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. A total of \$50,000 has been committed for FY 19-20. Individual repairs are limited to \$1,650 per home (\$7,500 for senior or persons with special needs that reside in mobile homes).
2. Of the FY 19-20 allocation, \$17,036 has been reserved, with \$9,465 spent.
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.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of January 31, 2020, sales of 36 properties by Ketcham Realty have generated \$230,977.66 to the HFA. The new total is now \$338,079.66.

PROPERTIES SOLD BY COUNTY				
Property	Sales Price	County Costs	HFA	Deposit
Calloway Street	\$ 5,900.00	\$ 700.00	\$ 5,200.00	3/29/2017
278 Oakview Drivie	\$ 27,300.00	\$ 775.00	\$ 26,525.00	1/5/2017
114 Osceola Street	\$ 34,100.00	\$ 1,523.00	\$ 32,577.00	8/29/2016
723 Frankie Lane Drive	\$ 12,000.00	\$ 700.00	\$ 11,300.00	12/1/2016
2109 Holton Street	\$ 6,500.00	\$ 1,700.00	\$ 4,800.00	2/15/2017
6009 Sam's Lane	\$ 3,000.00	\$ 600.00	\$ 2,400.00	5/15/2018
7234 Dykes Road	\$ 25,000.00	\$ 700.00	\$ 24,300.00	1/11/2019
TOTAL	\$ 113,800.00	\$ 6,698.00	\$ 107,102.00	

PROPERTIES SOLD BY BROKER

Property	Sales Price	Ketcham Fee	HFA	Deposit
1506 Crown Ridge Road	\$ 8,100.00	\$ 1,500.00	\$ 6,600.00	5/10/2019
2997 Lilly Road	\$ 8,100.00	\$ 1,500.00	\$ 6,600.00	5/10/2019
4060 Morgan Road	\$ 7,000.00	\$ 1,500.00	\$ 5,500.00	5/10/2019
4037 Bishop Road	\$ 8,000.00	\$ 1,500.00	\$ 6,500.00	5/10/2019
4033 Bishop Road	\$ 8,000.00	\$ 1,500.00	\$ 6,500.00	5/10/2019
4043 Buster Road	\$ 8,000.00	\$ 1,500.00	\$ 6,500.00	5/10/2019
2572 Tiny Leaf Road	\$ 4,000.00	\$ 1,000.00	\$ 3,000.00	5/17/2019
1209 Southern Street	\$ 3,000.00	\$ -	\$ 3,000.00	5/17/2019
4065 Morgan Road	\$ 7,000.00	\$ 122.50	\$ 6,877.50	6/5/2019
Monday Road	\$ 15,000.00	\$ 178.50	\$ 14,821.50	6/5/2019
12513 Forest Acres Trail	\$ 9,500.00	\$ -	\$ 9,500.00	6/5/2019
2993 Lilly Road	\$ 8,100.00	\$ 1,500.00	\$ 6,600.00	6/13/2019
714 Stafford Street	\$ 15,000.00	\$ 55.00	\$ 14,945.00	6/28/2019
2123 Flipper Street	\$ 4,000.00	\$ 1,500.00	\$ 2,500.00	7/26/2019
Lilly Road	\$ 7,000.00	\$ 122.50	\$ 6,877.50	7/26/2019
Craft Street	\$ 6,000.00	\$ 115.50	\$ 5,884.50	7/26/2019
3529 Sunburst Loop	\$ 4,000.00	\$ 102.00	\$ 3,898.00	7/26/2019
Moore Woods Rd	\$ 7,000.00	\$ 122.00	\$ 6,878.00	7/26/2019
7344 Poplar Point Drive	\$ 9,000.00	\$ 1,816.56	\$ 7,183.44	8/13/2019
1017 Dover Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
Abraham Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
1118 Clay Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
Calloway Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
Delaware Street	\$ 6,000.00	\$ 1,500.00	\$ 4,500.00	8/28/2019
2277 Saxon Street	\$ 2,500.00	\$ 1,000.00	\$ 1,500.00	10/10/2019
10715 Tebo Trail	\$ 20,000.00	\$ 1,154.30	\$ 18,845.70	11/21/2019
4046 Morgan Road	\$ 7,000.00	\$ 567.50	\$ 6,432.50	11/25/2019
5017 Dust Bowl Lane	\$ 3,543.00	\$ 1,543.00	\$ 2,000.00	12/28/2019
413 Great Lakes Street	\$ 3,600.00	\$ 1,500.00	\$ 2,100.00	1/29/2020
T and T Road	\$ 4,500.00	\$ 1,500.00	\$ 3,000.00	2/20/2020
Old Woodville	\$ 4,500.00	\$ 1,500.00	\$ 3,000.00	2/20/2020
Clay Street	\$ 6,300.00	\$ 55.00	\$ 6,245.00	2/20/2020
2113 Wakulla Street	\$ 4,000.00	\$ 55.00	\$ 3,945.00	2/20/2020
3641 W W Kelley	\$ 8,000.00	\$ 1,527.98	\$ 6,472.02	2/20/2020
1905 Rhodes Cemetery Rd.	\$ 25,000.00	\$ 8,858.00	\$ 16,142.00	3/5/2020
4006 Morgan Road	\$ 4,802.10	\$ 1,552.10	\$ 3,250.00	3/18/2020
	\$ 272,545.10	\$ 41,567.44	\$ 230,977.66	

3. **Recommendation:** None.

VI. Legal Update—Informational

1. HFA Counsel will report on their activities.
2. **Recommendation:** None.

VII. To-Do List—Informational

To-Do Item	HFA	Admin	CAO	SL	NBN	Status	Completed
February 2020							
The Board directed the Administrator to include Kenwood Place in occupancy reports		X				Will be in May report	

VIII. State Legislative Update—Informational

1. The 2020 legislative session is complete.
2. Governor DeSantis recommended full funding in his proposed budget released November 18, stating, *“Despite our strong economy and low unemployment, finding affordable housing can be challenging. My budget provides \$387 million to fully fund Workplace and Affordable Housing Programs, with \$267.2 million for the SHIP and \$119.8 for the SAIL program.”*
3. The Senate’s initial budget included full funding of \$387 million. However, the initial House budget appropriated only \$147 million for housing, and swept \$200 million to general revenue. The Sadowski Coalition worked to encourage the Senate to hold firm in budget negotiations.
4. **The Senate and House agreed to full funding for housing—the first time in 13 years. The full funding number is \$370 million. The importance of this cannot be understated.**
5. With full funding, approximately \$3.2 million of SHIP will come to Tallahassee-Leon County, with the County receiving \$1.1 million and the City of Tallahassee \$2.1 million.
6. The Sadowski Education Effort (SEE) was essential to this success. We weren’t the only ones in the fight, but we were the ones getting the editorials written and in constant communication with legislators focused on this issue. Florida ALHFA’s incredible relationship with FHFC/Trey Price was also massively helpful this year. There was truly a coordinated effort.
7. One page thank-you sheets were prepared for every legislator. They show what that legislator “brought home” in terms of SHIP funding for their county or counties, and the overall economic impact. An example is attached.

8. Given the COVID-19 pandemic, the lobbying effort is continuing—so that the legislature is educated on why they should not pull back housing funding before July 1. The basic points are that with the Governor’s Emergency Declaration, local governments can request rule and statutory waivers from FHFC for the use of SHIP funds, and use those monies in ways to directly assist with housing payments for those that have lost jobs. Additionally, given the overall economic situation, housing is the best economic stimulus in Florida’s budget.
9. **Recommendations:** None.

Appropriation of Housing Trust Fund Monies: \$387.0 Million
Revenue Estimate from January 2020 REC Conference & Estimated TF Balances

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 20-21	FINAL BUDGET FY 19-20
FHFC: SAIL & other FHFC Line 2281	\$119,800,000	\$119,800,000	\$48,800,000	\$115,000,000	\$ 39,040,000
SHIP Line 2282	\$267,200,000	\$267,200,000	\$73,200,000	\$225,000,000	\$ 46,560,000
Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) 2282A	\$0	\$0	\$25,000,000	\$30,000,000	\$ 65,000,000
Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line	\$0	\$0	\$0	\$0	\$ 50,000,000
TOTAL HOUSING	\$387,000,000	\$387,000,000	\$147,000,000	\$370,000,000	\$200,600,000
SHTF SWEEP	\$0	\$0	\$65,000,000	\$0	\$ 10,000,000
LGHTF SWEEP	\$0	\$0	\$135,000,000	\$0	\$115,000,000
TOTAL SWEEP	\$0	\$0	\$200,000,000	\$0	\$125,000,000
Unallocated SHTF	\$0			\$4,800,000	\$ 300,000
Unallocated LGHTF	\$0			\$12,200,000	\$7,060,000

Proviso/Back of the Bill for FHFC

- Additional \$250,000 from GR to FHFC for Purpose Built Community through SAIL
- \$20 million of HHRP for Hurricane Michael recovery distributed based on damage assessment/SHIP style program

- \$10 million of HHRP to FHFC for down payment assistance in Bay, Jackson, Gulf, Calhoun, Gadsden, Washington, Liberty, Franklin, Wakulla, Taylor & Holmes Counties
- \$500,000 from SHIP for Catalyst Training from SHIP
- 10% of FHFC funds for competitive grant program for housing developments for persons with developmental disabilities

Additional Homeless Funding from General Revenue or DCF Trust Funds				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$3,181,500	350	GR	DCF
Federal Emergency Shelter Grant Program	\$6,359,046.66 \$852,507	351	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants (staffing for 27 homeless lead agencies)	\$3,000,000	352	GR	DCF
Tampa Hillsborough Homeless Initiative- Shared Housing (SB 2490) Senate	\$200,000	2272	GR	DEO
Homeless Veteran Homeless Assistance- Brevard (S1186)	\$190,000	352	GR	DCF
Metropolitan Ministries- First Hug Program- Pasco & Pinellas (S2361)	\$300,000	352	GR	DCF
Metropolitan Ministries- Miracles for Pasco Program (S2365)	\$250,000	352	GR	DCF
Connecting Everyone with Second Chances- Leon & surrounding counties (S1532) (HB 9207)	\$716,000	352	GR	DCF
Citrus Health Network- Safe Haven for Homeless Youth (HB 4165)	\$100,000	352	GR	DCF
Clara White Mission (HB 2493)	\$100,000	354	GR	DCF
Miami-Dade Homeless Trust (HB 4545) (S Form 1349)	\$250,000	376	GR	DCF
CASL Renaissance Manor (HB 4385) (S1599)	\$1,100,000	376	GR	DCF

Other Projects Funded from General Revenue				
Item	Amount	Line Item	Source	Agency
Casa Familia Village Phase II (HB 3157) House	\$425,000	2272	GR	DEO
Windley Key & Key Heights Affordable Housing Project (HB 3709) (SB 2086)	\$1,000,000	2272	GR	DEO
Building Homes for Veterans Senate 2159)	\$1,000,000	2279A	GR	DEO

IX. Replacement General Partner: Lakes at San Marcos

1. Lakes at San Marcos was financed by the HFA via a bond issue in 2005.
2. The original developer was removed by the tax credit investor in 2010; therefore limited partner (tax credit investor Hunt Capital) is an affiliate of the current General Partner.
3. Numerous repairs are needed at the property, including \$3 million related to water intrusion issues that were present before Hurricane Michael, but exacerbated by the storm.
4. A proposed new general partner entity is proposed, with the principals being Lou Vogt and Scott Zimmerman, very experienced multi-family developers. They will make a capital contribution to satisfy immediate capital needs at the property. A new management company will also be installed.
5. The transfer of GP interest has been approved by the tax credit investor and the bond holder (Bank of America).
6. The transfer was reviewed for the HFA by the servicer/credit underwriter, AmeriNat, which recommends approval by the HFA subject to certain conditions detailed in their attached analysis.
7. Bond counsel (Bryant Miller Olive) has prepared a resolution for Board consideration approving the transfer, subject to the conditions in the credit underwriting.
8. **Recommendation:** Adopt resolution prepared by bond counsel approving transfer of GP interest in the borrower for Lakes at San Marcos, subject to the conditions established in the credit underwriting evaluation, and approving the assignment and assumption of loan documents to the new general partner, and the release and substitution of certain guarantors related thereto.