

# THE HENDRICKSON COMPANY

1404 Alban Avenue ☞ Tallahassee, Florida 32301  
Telephone: 850-671-5601  
[mark@thehendricksoncompany.com](mailto:mark@thehendricksoncompany.com)

To: Housing Finance Authority of Leon County Board of Directors  
From: Mark Hendrickson, Administrator  
Subject: September 10, 2020 HFA of Leon County Board Meeting  
Date: September 3, 2020

## **I. Financial Reports and Budget—Action**

1. The August 2020 Financial Statement is attached. Net assets as of August 31, 2020 are \$1,379,835.79, with \$990,703.47 in cash (\$284,938.16 restricted for housing programs and \$25,000 offset by liability—good faith deposit).
2. The annual Lakes at San Marcos fee (\$31,580.37) was received August 31.
3. 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: \$414,181.16
  - ✓ Emergency Repair expenditures since August 2016: \$117,080
  - ✓ CDBG rehab: \$12,163
  - ✓ Remaining Restricted Funds: \$284,938.16
4. An Expenditure Approval list and bank/SBA statements are attached.
5. **Recommendations:** None
  - Accept Financial Statements
  - Approve expenditures detailed on Expenditure Approval list

## **II. Proposed Budget Amendments for FY 2019-2020—Action**

1. Due to COVID-19, the Home Expo and 9/11 Day of Remembrance were cancelled. The HFA budgeted \$1,500 for each.
2. The Emergency Repair program is budgeted for \$50,000—however, there are \$53,263 of repairs made or encumbered.
3. The County has requested that the unused Home Expo and 9/11 Day of Remembrance funds be transferred to the Emergency Repair Program.
4. **Recommendation:** Approve budget amendment transferring \$1,500 from Home Expo and \$1,500 from 9/11 Day of Remembrance to Emergency Repair Program (\$3,000 increase).

### **III. Proposed Budget for FY 2020-2021—Action**

1. A proposed FY 20-21 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.
2. The budget continues:
  - Florida ALHFA Membership: Active Issuer (\$1,000) & Gold Conference Sponsor (2,500)
  - SEE Contribution: 2,500
3. The ongoing fee for Magnolia Terrace has been added (\$23,520)
4. **Recommendation:** Consider approval proposed FY 19-20 budget.

### **IV. Administrator Contract Extension—Action**

1. The Administrator's contract has an initial term of three years, ending September 30, 2019. The contract permits up to two one-year extensions.
2. The fee for the second extension period (October 1, 2020 to September 30, 2021) is \$48,000. The current year fee is \$45,500, plus a \$2,500 "bonus" (authorized by the Board when contract was extended).
3. **Recommendation:** Consider approval of one-year contract extension and authorize Chair to sign extension prepared by legal counsel.

### **V. Audit Engagement Letter—Action**

1. The Audit RFP permitted an extension for two additional years after the FY 17-18 Audit.
2. The Auditor (The Nichols Group) has agreed to perform the FY 19-20 audit for the same (\$10,000) price as the previous audit.
3. **Recommendation:** Authorize the Administrator to Execute the Engagement Letter with The Nichols Group to perform the FY 19-20 audit.

### **VI. Active Bond Application—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:**
  - The HFA induced the development at the December 2019 meeting. TEFRA approval was given by the BOCC on April 28
  - The development has received preliminary approval from the FHFC Board for SAIL funding, subject to the conclusion of the legal process surrounding any FHFC RFA (to be complete July 17).
3. **Recommendation:** None

Name	Magnolia Family
Owner Entity*	Country Club Magnolia Family, LP
Developer/Location	New Affordable Housing Partners, LLC. Atlanta, Georgia Tallahassee Housing Economic Corporation, Tallahassee, Florida
Type	New Construction
Street Address	Canton Circle, 150' SW of the intersection of Canton Circle & Country Club Drive
County Commission District	District 1, Bill Proctor
Units	130
Bedrooms	252
# of Buildings	5 residential buildings
# of Stories	3
Credit Underwriter	Seltzer Management
Estimated Closing Date	Early 2021
Bond Request	\$15,000,000 or \$115,385/unit
Permanent Loan Bond Amount	TBD
SAIL & ELI Funding	\$6,2111,577
Housing Credit Investor	TBD
Housing Credits	TBD
TEFRA Approval	4-28-20
Total Cost	\$24,623,515
Total Cost Per Unit	\$189,412
Land Cost	\$0—Ground Lease from Tallahassee Housing Authority \$0//unit
Acquisition of Building Cost	NA
Hard Construction Cost	\$16,314,670 \$125,497/unit
General Contractor	TBD
Credit Enhancement	TBD
Set-Aside Period	50 years
Set-Aside Levels	10.0% (13 units) <33% AMI for 15 years, then 60% AMI 90.0% (117 units) <60% AMI

## **VII. 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, \$53,262.78 has been encumbered with \$26,941 of that spent.
3. This year, nine mobile homeowners will receive assistance, six at levels requiring repairs more than \$1,650—mainly roof and HVAC repairs. Another seven persons living in single family homes will receive assistance.
4. **Recommendation:** None.

**VIII. 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. There were two new sales in August—with net to HFA of \$13,481.50 (checks not received).
2. The Board requested an update on the process for determining which properties and sold or donated to non-profits and which are sold. County staff have provided the update in the County Memo. In short, the Tallahassee Lenders' Consortium was selected by the City and County to administer the Community Land Trust. This was an open process, and any non-profit could have applied. The CLT has some level of different status because it is the community's resource to keep development affordable in perpetuity. This being said, other non-profits can make offers/proposals related to surplus property.
3. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of September 2, 2020, sales of 50 properties by Ketcham Realty have generated \$307,079.16 to the HFA. The new total is now \$414,181.16.

<b>PROPERTIES SOLD BY COUNTY</b>				
<b>Property</b>	<b>Sales Price</b>	<b>County Costs</b>	<b>HFA</b>	<b>Deposit</b>
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
<b>TOTAL COUNTY SALES</b>	<b>\$ 113,800.00</b>	<b>\$ 6,698.00</b>	<b>\$ 107,102.00</b>	
<b>PROPERTIES SOLD BY BROKER</b>				
<b>Property</b>	<b>Sales Price</b>	<b>Ketcham Fee</b>	<b>HFA</b>	<b>Deposit</b>
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
4025 Morgan Road	\$ 8,074.50	\$ 74.50	\$ 8,000.00	4/27/2020
4029 Morgan Road	\$ 8,074.50	\$ 74.50	\$ 8,000.00	4/27/2020
4036 Buster Road	\$ 7,571.00	\$ 71.00	\$ 7,500.00	4/27/2020
462 Long Pine Drive	\$ 8,175.20	\$ 130.20	\$ 8,045.00	5/27/2020
4136 Cowan Drive	\$ 8,175.20	\$ 130.20	\$ 8,045.00	5/27/2020
Volusia Street	\$ 4,500.00	\$ 1,500.00	\$ 3,000.00	5/27/2020
3584 Sundown Road	\$ 3,000.00	\$ 55.00	\$ 2,945.00	6/29/2020
823 Sundown Lane	\$ 2,500.00	\$ 55.00	\$ 2,445.00	6/29/2020
3543 Sundown Road	\$ 3,000.00	\$ 55.00	\$ 2,945.00	7/14/2020
3548 Sundown Road	\$ 3,000.00	\$ 55.00	\$ 2,945.00	7/14/2020
Springhawk Loop	\$ 5,250.00	\$ 1,500.00	\$ 3,750.00	8/13/2020
1129 Bennett Street	\$ 6,500.00	\$ 1,500.00	\$ 5,000.00	8/13/2020
Sundown Road	\$ 3,021.00	\$ 39.50	\$ 2,981.50	
818 Floral Street	\$ 12,000.00	\$ 1,500.00	\$ 10,500.00	
	\$ 355,386.50	\$ 48,307.34	\$ 307,079.16	

4. **Recommendation:** None.

**IX. Legal Update—Informational**

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

**X. To-Do List—Informational**

To-Do Item	HFA	Admin	County	NGN	Status	Completed
<b>Meeting Date: August 13, 2020</b>						
The Board directed Mr. Hendrickson to (1) distribute the master spreadsheet of properties maintained by Mitzi McGhin to the Board and (2) report at the September meeting on the process including which non-profits the County works with in the determination of whether to assign or sell each property.		X	X		Spreadsheet sent to Board  Process explanation in HFA and County memos	X
<b>Meeting Date</b>						
None						

**XI. State Legislative Update—Informational**

1. 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.
2. 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.
3. The Governor committed \$250 million of CARES Act funding to housing—primarily for rent and mortgage relief.
4. The Governor vetoed the \$225 million SHIP appropriation. This does not sweep the money into general revenue—it will simply accumulate in the Local Government Housing Trust Fund and be available in a November Special Legislative session to sweep, appropriate for SHIP, or leave.
5. SEE is launching a strategy and action steps leading to November—with the goal of the legislature making the SHIP appropriation whenever a Special Session is held.
6. **Recommendations:** None.