

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: March 11, 2021 HFA of Leon County Board Meeting
Date: March 1, 2021

I. Financial Reports and Budget—Action

1. The February 2021 Financial Statement is attached. Total assets as of February 28, 2021 are \$1,420,330.52, with \$1,017,143.68 in cash (\$309,377.66 restricted for housing programs and \$25,000 offset by liability—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 January 7, 2021:
 - ✓ Total revenues from property sales: \$491,620.66
 - ✓ Emergency Repair expenditures since August 2016: \$170,080
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$309,377.66
3. An Expenditure Approval list and bank/SBA statements are attached.
4. **Recommendations:** None
 - Accept Financial Statements
 - Approve expenditures detailed on Expenditure Approval list

II. Bond and Local Government Contribution 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 Senior** and **Magnolia Family II** received TEFRA approval on December 8. Both applied for SAIL funding from FHFC but appear unlikely to win.
3. **Magnolia Family I** is moving through credit underwriting with an anticipated closing in late 2021. The developer anticipates final approvals at the September HFA meeting. A summary from the developer’s consultant:

- *THA and the city are currently mailing or putting in the paper various notices to enable the city to submit our letter of compliance to HEROs [HUD portal to upload environmental reviews for public review.]. Once the application is submitted HUD has 30 days to respond. This is scheduled to be completed by May 11th.*
- *HUD Demo-Dispo [Demolition and Disposition] submitted May 15th. HUD approval by 7-15-21. This is the package THA has to submit to HUD to prove obsolescence of a project proving rehab of the project would not be cost effective.*
- *Deliver 90-day notice letters to residents- 7-16-21. Relocation complete 10-16-21.
10-17-21 Demo commences, Demo complete 2nd week December.*
- *FINAL CUR going to FHFC board Sept 10.*
- *Financial Closing 12-31-21.*

4. **Recommendation:** None.

Name	Magnolia Family	Magnolia Senior	Magnolia Family II
Owner Entity*	Country Club Magnolia Family, LP	Country Club Magnolia Senior, LP	Country Club Magnolia Family II, LP
Developer/Location	New Affordable Housing Partners, LLC. Atlanta, Georgia Tallahassee Housing Economic Corporation, Tallahassee, FL	Columbia Residential Atlanta, Georgia Tallahassee Housing Authority Tallahassee, FL	Columbia Residential Atlanta, Georgia Tallahassee Housing Authority Tallahassee, FL
Street Address	Canton Circle, 150' SW of the intersection of Canton Circle & Country Club Drive	Sebring Ct., NE of intersection of Sebring & Country Club Drive	Country Club Dr., SW of intersection of Country Club & Putnam Drive
Type	New Construction	New Construction Garden	New Construction
Demographic	Family	Elderly	Family
County Commission District	District 1, Bill Proctor	District 1, Bill Proctor	District 1, Bill Proctor
Units	130	110	160
Bedrooms	252	125	320
# of Buildings	5 residential buildings	1 residential building	6 residential buildings
# of Stories	3	3 with elevator	3
Credit Underwriter	Seltzer Management	Seltzer Management	Seltzer Management
Estimated Closing Date	December 2021	November 2021	November 2021
Bond Request Permanent Loan Bond Amount	\$15,000,000 or \$115,385/unit \$7,000,000	\$13,500,000 or \$122,727/unit \$6,500,000	\$17,000,000 or \$106,250/unit \$11,500,000
SAIL & ELI Funding	\$6,211,577	\$6,600,000	\$6,600,000
Housing Credit Investor Housing Credits	TBD \$9,376,537	TBD \$8,266,414	TBD \$11,352,521
City Funding	\$1,650,000	\$2,000,000	\$2,000,000
TEFRA Approval	4-28-20 2-16-21	12-8-20	12-8-20
Total Cost	\$24,826,109	\$24,693,561	\$32,617,000
Total Cost Per Unit	\$190,971	\$224,487	\$203,856
Land Cost	\$0—Ground Lease from Tallahassee Housing Authority \$0//unit	\$0—Ground Lease from Tallahassee Housing Authority	\$0—Ground Lease from Tallahassee Housing Authority
Acquisition of Building Cost	NA	NA	NA
Hard Construction Cost	\$16,314,670 \$125,497/unit	\$16,630,000 \$151,182/unit	\$23,100,000 \$144,375/unit
General Contractor	TBD	TBD	TBD
Credit Enhancement	TBD	TBD	TBD
Set-Aside Period	50 years	50 years	50 years
Set-Aside Levels	10.0% (13 units) <33% AMI for 15 years, then 60% AMI 90.0% (117 units) <60% AMI	10.0% (11 units) <33% AMI for 15 years, then 60% AMI 90.0% (99 units) <60% AMI	10.0% (16 units) <33% AMI 70.0% (112 units) <60% AMI 20% (32 units) market rate

III. 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 paid to the County for FY 20-21. 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 \$53,000 FY 19-20 allocation, \$36,259 was spent. The balance of \$16,741 was carried forward to this FY, making total funds available FY 20-21 \$66,741. Of that, \$22,078.78 is encumbered (eight cases), with \$8,678.78 disbursed.
3. **Recommendation:** None.

IV. 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. This fiscal year, sixteen properties have been sold with \$77,439.50 received by the HFA.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of March 1, 2021, sales of 70 properties by Ketcham Realty have generated \$384,516.66 paid to the HFA. The total is \$491,620.66.
3. County real estate reports five additional properties sold, but funds not received by the HFA, (net to HFA of \$26,644.80). An additional four properties were transferred in December to the Community Land Trust (TLC—Tallahassee Lenders Consortium).
4. A spreadsheet is attached.
5. Staff was directed to research if a builder could purchase a lot and make payment after the home was sold. See the County Memo for detailed response. In summary, while possibly legal, the approach appears impractical, as the legal costs associated with a note and mortgage would likely exceed the value of the land and the County would have a first-lien position (making construction financing difficult/impossible). The preferred approach would be for a builder to partner with the CLT, who could receive the land as a grant, with the property developed under CLT guidelines with permanent affordability.
6. **Recommendation:** None.

V. Legal Update—Informational

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

VI. To-Do List—Informational

To-Do Item	HFA	Admin	County	NGN	Status	Completed
Meeting Date:						
December 10, 2020						
Dr. Sharkey recommends HFA set up meetings with new County Commissioners Welch and Cummings	X				Not completed	
Mr. White asked staff to inquire if builder could purchase lot and make payment after home was sold		X			Legal, but impractical. Grant of land possible to CLT, where developers can partner	X
Meeting Date						
None						

VII. State Legislative Update—Informational

1. The Governor’s proposed FY 21-22 budget recommends using all new revenues (\$423.3 million) coming into the housing trust funds during FY 21-22 for housing, while sweeping the \$225 million of current year collections to general revenue (that had been appropriated for SHIP and vetoed).
2. SEE worked to save the \$225 million, but without a legislative special session, there was no opportunity to effectively make a case for their reappropriation.
3. Strategically, SEE has concluded that the best approach is to fully support the Governor’s proposed budget and urge the House and Senate to appropriate the \$423.3 million.
4. SEE commissioned a new Economic Analysis of Sadowski funded housing programs, including the revenue generated back to the State and to local governments. The study shows that for every \$1 million of housing programs funded, the State receives \$204,000 in revenues and local government another \$190,000—making the revenue ROI 39.5%.

Florida	Available Funding FY 2021-22	Total Positive Economic Impact	Number of Homes*	Number of People Housed	Jobs Created	Revenue Generated**
State Housing Trust Fund	\$126,700,000	\$1,911,695,150	4,196	10,490	13,627	\$63,004,162
Local Government Housing Trust Fund (SHIP)	\$296,600,000	\$3,052,256,811	14,942	37,355	19,659	\$104,020,882
TOTAL	\$423,300,000	\$4,963,951,961	19,138	47,845	33,286	\$167,025,044

* Homes built, sold, renovated or retrofitted.

** State Revenue (52%); Local Revenue (48%)

5. The SHIP distribution by City and County based upon the Governor's budget is attached. With a \$296.6 million SHIP appropriation, Leon County-Tallahassee would receive \$4,212,255, with the County receiving \$1,418,687 and the City of Tallahassee \$2,793,568.
6. The legislator one-pagers are available under the Advocacy tab at www.sadowskicoalition.com These show the impact by County the Governor's proposed appropriation.
7. Representative Killebrew (R-Polk County) introduced HB 13, which would prohibit transferring monies in the Housing Trust Funds to General Revenue or the Budget Stabilization Fund. Senator Hooper (R-Pinellas & Pasco Counties) introduced the companion bills SB 510. This is significant because we have Republican prime sponsors in both the Senate and House. SB 510 passed unanimously out of its first committee and by a 7-1 vote in its second committee.
8. **Recommendations:** None.

	GOVERNOR FY 21-22	SENATE FY 21-22	HOUSE FY 21-22	FINAL BUDGET FY 21-22	<i>FINAL BUDGET FY 20-21</i>
FHFC: SAIL & other FHFC Line 2238	\$126,700,000				<i>\$115,000,000</i>
SHIP Line 2239	\$296,600,000				<i>\$225,000,000 VETOED</i>
	\$0				<i>\$30,000,000 Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line 2282A</i>
TOTAL HOUSING	\$423,300,000				<i>\$145,000,000</i>
SHTF SWEEP	\$0				<i>\$0</i>
LGHTF SWEEP	\$225,000,000				<i>\$0</i>
TOTAL SWEEP	\$225,000,000				<i>\$0</i>
Unallocated SHTF	\$0				<i>\$4,800,000</i>
Unallocated LGHTF	\$0				<i>\$12,200,000 + \$225 million veto</i>