

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: April 8, 2021 HFA of Leon County Board Meeting
Date: April 1, 2021

I. Financial Reports and Budget—Action

1. The March 2021 Financial Statement is attached. Total assets as of March 31, 2021 are \$1,440,452.86, with \$1,037,266.02 in cash (\$336,022.46 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 March 28, 2021:
 - ✓ Total revenues from property sales: \$518,265.46
 - ✓ Emergency Repair expenditures since August 2016: \$170,080
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$336,022.46
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 and a closing in December.
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,

\$32,002.67 is encumbered (ten cases), with \$16,453.78 disbursed.

3. **Recommendation:** None.

IV. Interlocal Agreement with Leon County—Action

1. The Interlocal Agreement between Leon County and the HFA expires in May. A new Agreement is necessary.
2. The new Interlocal Agreement is attached (as part of County Update) and has been reviewed by HFA legal counsel. It essentially keeps most items in place, updates to eliminate out-of-date items (HFA LHAP), reflects the current system, and adds one HFA responsibility.
3. The new HFA responsibility would be to conduct the process of selecting a Local Government Area of Opportunity development (“local preference”) for the County. The HFA is particularly well suited for this task and can move through a NOFA process quickly.
4. **Recommendation:** Approve new Interlocal Agreement with Leon County

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. This fiscal year, 21 properties have been sold with \$104,084.30 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 31, 2021, sales of 75 properties by Ketcham Realty have generated \$411,163.46 paid to the HFA. The total is \$518,265.46.
3. County real estate reports one additional property sold, but funds not received by the HFA, (net to HFA of \$5,500).
4. A spreadsheet is attached.
5. **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	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 Mike Rogers met with BOCC at Housing Workshop	
Meeting Date						
None						

VIII. State Legislative Update—Informational

1. The Governor’s proposed FY 21-22 budget recommended 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. Strategically, SEE concluded that the best approach was to fully support the Governor’s proposed budget and urge the House and Senate to appropriate the \$423.3 million.
3. Instead, Senate and House leadership announced a plan to permanently divert over 70% of the doc stamps now flowing into the Housing Trust Funds to two other programs. This is the essence of HB 5401 and SB 2512. To support the concept that a reduction in housing funding is justified, misinformation has flowed through the legislature—such as SHIP offices are turning back money because they can’t spend it (totally false- no SHIP funds have ever been returned) and that federal housing money takes care of the problem (particularly false in that most of the extra federal funds cannot be spent to build, rehabilitate or sell housing).
4. This is much worse than a sweep—it is a permanent sweep without having to come back every year and suffer through public outcry when you sweep funds.
5. The “sweetener” in the package is a promise that the legislature will no longer sweep any of the monies remaining in the Housing Trust Funds, a promise that can be repealed by any future legislature.
6. Unfortunately, when the Speaker and Senate President agree on a proposal, the chances of totally derailing it is extremely slim. The Sadowski Coalition is working to change the proposed legislation (1) the distribution of doc stamps that housing receives is a significantly higher percentage than in the current legislation, (2) the no sweeps language remains, (3) the SEED TF is no longer funded from housing, and (4) that there be a significant bonus appropriation of housing funds for FY 21-22.
7. Under a SHIP distribution based upon the Governor’s budget of \$296.6 million for SHIP, Tallahassee-Leon would receive \$4,212,255, with the County receiving \$1,418,687 and the

City \$2,793,568. Under the proposed plan of a SHIP appropriation of only \$99.1 million, Tallahassee-Leon would receive only \$1,278,852 (County \$430,717, City \$848,135).

8. Any updates will be given via emails as events warrant. A fact sheet is attached

9. **Recommendations:** None.

	GOVERNOR FY 21-22	SENATE FY 21-22	HOUSE FY 21-22	FINAL BUDGET FY 21-22	FINAL BUDGET FY 20-21
FHFC: SAIL & other FHFC Line 2238	\$126,700,000	\$42,000,000	\$42,000,000		\$115,000,000
SHIP Line 2239	\$296,600,000	\$99,100,000	\$99,100,000		\$225,000,000 <i>VETOED</i>
	\$0	\$0	\$0		\$30,000,000 <i>Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line 2282A</i>
TOTAL HOUSING	\$423,300,000	\$141,100,000	\$141,100,000		\$145,000,000
SHTF SWEEP	\$0	\$38,600,000	\$25,000,000		\$0
LGHTF SWEEP	\$225,000,000	\$254,400,000	\$273,490,000		\$0
TOTAL SWEEP	\$225,000,000	\$293,000,000	\$298,490,000		\$0
Unallocated SHTF	\$0				\$4,800,000
Unallocated LGHTF	\$0				\$12,200,000 + \$225 million veto

Proviso/Back of the Bill for FHFC in Governor’s Budget:

- 20% of each SAIL development for person with special needs or the elderly
- \$20 million of SAIL for workforce housing in the Keys
- \$500,000 from SHIP for Catalyst Training

Proviso/Back of the Bill for FHFC in House Budget:

- \$99,500,000 of GR transferred to LGHFT
- \$40,500,000 of GR transferred to SHTF
- Note: Funds are sent back to Housing TF’s, but are not appropriated to housing programs

Proviso/Back of the Bill for FHFC in Senate Budget:

- None