



## HUMAN SERVICES AND COMMUNITY PARTNERSHIP

**DATE:** April 1, 2021

**TO:** Chair Marnie George and the Housing Finance Authority of Leon County

**FROM:** Shington Lamy, Director of Human Services and Community Partnerships  
Matthew G. Wyman, Housing Services Manager

**SUBJECT:** County Staff Report for April 8, 2021

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This County staff report is provided by the Leon County Division of Housing Services to the Housing Finance Authority of Leon County (HFA) for the April 8, 2021 HFA meeting. The report presents a new, proposed Interlocal Agreement between Leon County Government and HFA.

### **Background**

On May 22, 2018, the Board of County Commissioners approved a three-year Interlocal Agreement between Leon County and the HFA (Interlocal Agreement). The Interlocal Agreement outlines the County's and HFA's mutual commitment in the coordination and collaboration of affordable housing and details the County and HFA's respective responsibilities, which includes the HFA's funding of the County's housing programs and services. The Interlocal Agreement recognizes the County and HFA's partnership in the allocation of loan repayments from previous down payment assistance awarded to low-income, first-time homebuyers through the County's housing program. Finally, the County and HFA's coordination and collaboration in the development and/or sale of County parcels deemed appropriate for affordable housing is highlighted in the Interlocal Agreement.

The current Interlocal Agreement expires in May 2021. As such, a new Interlocal Agreement is needed to continue the partnership and mutual commitment between Leon County and the HFA. The following analysis will provide an overview of the proposed, new Interlocal Agreement for the consideration of the HFA. If approved, the proposed, new Interlocal Agreement will be presented to the Board of County Commissioners for approval at their May meeting.

### **Analysis**

As proposed in the new Interlocal Agreement (Attachment #1), the HFA will continue to be a strategic and financial partner for the County's housing programs and services including, but not limited to the Emergency Repair Program, the Annual Home Expo and the 9/11 Day of Service. The HFA will continue to determine the level of funding, on or before June 15 in preparation for the upcoming fiscal year for the County's housing programs and services.

Since the approval of the Interlocal Agreement in 2018, County staff and the HFA Administrator have identified needed updates to the Interlocal Agreement to align the provisions of the agreement with the current actions and intent of the HFA and the County. County staff and the HFA Administrator worked together to draft the proposed, new Interlocal Agreement for the review and approval of the HFA, which includes an update to administrative terms and requirements as well as the following:

- Updates the definitions used in the Interlocal Agreement;
- Aligns activities of the HFA and the County with current practice;
- Allows the County and the HFA to mutually establish guidelines of programs administered by the County and eliminates conflicting language;
- Specifies the types of programs that the HFA could support through the issuance of bonds and other finance offerings;
- Strikes language requiring the County to provide quarterly reports on the use of proceeds received from State Housing Initiative Partnership funded down payment assistance loans. Striking the language was approved by the HFA on June 13, 2019 and reflected in the meeting minutes (Attachment #2); and
- Establishes guidelines for the HFA to serve as the County’s clearinghouse for Local Government Area of Opportunity Funding requests as requested by the Board of County Commissioners.

*Federal Low-Income Housing 9% Tax Credit Program*

At the March 23, 2021 Workshop on Affordable Housing Initiatives in Leon County, the Board of County Commissioners requested that the HFA develop a procedure to evaluate and recommend projects seeking Local Government Area of Opportunity Funding (LGAOF) support for the award of 9% tax credits. The Board made clear that the LGAOF evaluation process regarding 9% tax credits would not be implemented until all phases of the Tallahassee Housing Authority’s Orange Avenue Apartment redevelopment project is funded.

The Federal Low-Income Housing 9% Tax Credit Program (Program) subsidizes rental housing developments. The Program can typically fund approximately 70% of the total cost of a development and is therefore highly sought after by developers. The Florida Housing Finance Cooperation (FHFC) administers the federal tax credit program in Florida and awards proposed developments through its lottery system.

As part of the Program, the FHFC authorizes local governments to designate a preference for one affordable rental development project within its jurisdiction for the consideration of 9% tax credit through Local Government Area of Opportunity Funding (LGAOF). The LGAOF is necessary for developments to be considered for the award of 9% tax credits. Other Local Housing Finance Authorities in Florida, such as Hillsborough and Pasco County serve to evaluate requests for LGAOF on behalf of the local governing body.

The framework for an evaluation process for the LGAOF that has been included in the proposed, new Interlocal Agreement specifies that the HFA will establish, in collaboration with County staff, a comparative application process based on local priorities for considering requests from developers for Florida Housing Finance Corporation (FHFC) programs that require a local government contribution. Solicitation of applications will occur at the direction of the Leon County Administrator. The HFA will provide the County Administrator comparative analysis of the applications and a recommendation to the Board on selecting an application(s) to support.

***Recommendation: Accept the proposed, new Interlocal Agreement between Leon County and the HFA and recommend approval by the Board of County Commissioners.***

## INTERLOCAL AGREEMENT

**THIS INTERLOCAL AGREEMENT (AGREEMENT)**, is made and entered into as of the date of last signature below (“Effective Date”), by and between Leon County, Florida, a charter county and a political subdivision of the State of Florida (the “County”) and the Housing Finance Authority of Leon County, a ~~local government~~separate public body, corporate and politic (the “HFA”). The County and HFA may be referenced herein individually as (“Party”) or collectively as (“the Parties”).

**WHEREAS**, the County is dedicated to promoting, maintaining, and providing safe, sanitary, and affordable homes for low to moderate-income citizens of Leon County; and

**WHEREAS**, on June 10, 1980 the Leon County Board of County Commissioners (the “Board”) adopted Ordinance No. 80-39, creating the HFA pursuant to Chapter 159, Part IV, Florida Statutes (the Florida Housing Finance Authority Law) and as most recently amended by Ordinance No. 2017-02 adopted on February 7, 2017; and

**WHEREAS**, the HFA functions to alleviate a shortage of affordable housing and investment capital for residents in Tallahassee-Leon County; and

**WHEREAS**, the HFA encourages investments by private enterprises, stimulates construction and rehabilitation of housing through the use of public financing -and provides low-cost loans to make housing purchase affordable; and

**WHEREAS**, the Parties have expressed a mutual commitment to the coordination and collaboration of affordable housing efforts in the community; and

**WHEREAS**, the Parties seek to collaborate on the investment of any funds recaptured from the Down Payment Assistance Loans that were funded by the County during the period of October 1, 1998 through September 30, 2008 through the State Housing Initiative Partnership (SHIP) funds, in accordance with the guidelines of SHIP.

**NOW THEREFORE**, the Parties agree to the following:

1. Purpose and Objective

- a. The purpose of this Agreement is for the coordination and collaboration of affordable housing efforts between the Parties.

2. Definitions

- a. Down Payment Assistance Loans: Loans prepared and recorded in the name of the HFA that were funded by the County through the State Housing Initiative Partnership funds or from other sources.

- b. County-HFA-Accepted Cooperative Parcels: County-owned parcels that have been deemed suitable for affordable housing in accordance with Florida Statutes and the County's Real Estate Policy and presented to and accepted by the HFA for cooperation in the sale or lease.
- c. Housing Programs: County-adopted or HFA-adopted programs that provide financial support to low-income residents for affordable housing.
- d. Fee: any sum of money collected by the HFA from a developer as part of the application process for Local Government Area of Opportunity Funding and other Florida Housing Finance Corporation programs that require local government funding on behalf of Leon County.
- e. Real Estate Policy: The County's Real Estate Policy, Policy No. 16-5, adopted June 19, 2018, as may be amended from time to time.

### 3. Responsibilities of the Parties

The Parties responsibilities for the coordination and collaboration of Housing Programs will be as follows:

#### a. County Responsibilities

- i. The County, in mutual agreement with the HFA, will administer programs adopted by the HFA that seek to address the affordable housing needs of residents in Leon County, at no administrative cost to the HFA, in accordance with the HFA Local Housing Assistance Plan dated July 8, 2014 ("HFA LHAP"), as amended guidelines established by the HFA and the County Administrator, or his or her duly authorized designee.
- ii. The programs will be administered by accomplishing the following:
  - 1. Determine client eligibility;
  - 2. Assess home rehabilitation needs;
  - 3. Solicit bids for housing rehabilitation services;
  - 4. Complete any required agreements with clients or contractors;
  - 5. Monitor the work of contractors; and
  - 6. Process invoices.
- iii. The County will utilize funds provided by the HFA for the County housing program.
  - 1. HFA funds, approved by the HFA, will supplement funding from other sources for projects that meet the criteria of County-adopted housing programs. Other sources include, but are not limited to, the SHIP, Community Development Block Grant, and County General Revenue funds. The HFA authorizes the County to use designated

HFA funds to support the SHIP program and/or projects ~~in accordance with the Leon County State Housing Initiative Partnership Local Housing Assistance Plan (“SHIP LHAP”) dated February 13, 2018, as amended.~~

2. The County will ensure that all recipients of funds meet all eligibility requirements ~~to receive funding under the State Housing Initiatives Partnership program as mutually agreed upon and authorized pursuant to Chapter 420, Part VII, Florida Statutes by the HFA and the County Administrator, or his or her duly authorized designee.~~
- b. In the event an award is made through a County-adopted program funded with HFA funds that is not in compliance with the ~~County SHIP LHAP~~ mutually agreed upon program guidelines, the County agrees to fund, from other sources, an amount corresponding to the award to be used for the County-adopted program.

~~i. In the event an award is made through an HFA-adopted program that is not in compliance with the HFA Local Housing Assistance Plan, the County agrees to fund, from other sources, an amount corresponding to the award to be used for the HFA-adopted program.~~

ii.i. The County will maintain the records of housing programs that it administers. The records will include:

1. The number of applicants seeking funding,
2. The name of clients served,
3. Name of all vendors utilized for each project,
4. The total amount of funds utilized for each project including HFA and funds from other sources,
5. The types of housing projects,
6. The date each project started and the date the project was completed, and
7. The types of services requested.

iii.ii. The County will provide the HFA with a monthly report on HFA funds used for projects in the form attached hereto as Exhibit A.

c. HFA Responsibilities

- i. Upon the HFA’s approval of this Agreement, the HFA, in mutual agreement with the County, will become a strategic and financial partner of programs and projects adopted by the County that seek to address the affordable housing needs of residents in Leon County.

- ii. The HFA, in mutual agreement with the County, will determine annually the HFA programs to be administered by the County no later than June 15 prior to the start of each fiscal year. HFA will determine the level of its funding and the limits to its funding of County-adopted housing programs on an annual basis no later than June 15 prior to the start of each fiscal year.
- iii. Upon the HFA's approval of this Agreement, the HFA will serve as a strategic planning and financial partner in the promotion of County and HFA Housing Programs and Services mutually agreed upon by the Parties. Annual Programs will be determined in advance by both Parties no later than June 15 prior to the start of the fiscal year. Annual funding, if any, will be determined in advance by the HFA no later than June 15 prior to the start of the fiscal year.
- iv. The HFA may serve as a strategic planning and financing partner on County events that seek to promote affordable housing efforts to include, but not be limited to, the Leon County Annual Home Expo and the Leon County 9/11 Day of Service. Annual funding for promotional efforts will be determined in advance by the HFA no later than June 15 prior to the start of the fiscal year. ~~HFA funding will be provided as a reimbursement for the aforementioned events.~~
- v. The HFA will continue to evaluate housing projects for potential investments through the issuance of bonds and other financial resources in order to increase the inventory of affordable housing in Leon County through programs such as, but not limited to, the development of new units (rental or homeownership) and down payment and/or closing cost assistance.
- vi. The HFA will establish, in collaboration with the Leon County Administrator, or his or her duly authorized designee, a comparative application process based on local priorities for considering requests from developers for Local Government Area of Opportunity Funding (LGAOF) for the Florida Housing Finance Corporation (FHFC) Housing Credit program providing low-income housing 9% tax credits and other FHFC programs that require a local government contribution.
  - 1. At the direction of the Leon County Administrator, or his or her duly authorized designee, the HFA will solicit applications for LGAOF and other competitive FHFC funding programs;
  - 2. The HFA will comparatively evaluate applications and provide a report that analyzes all applications received via the process mutually agreed upon in this subsection (3)(c)(vi) herein;
  - 3. The HFA will make a recommendation to the Board on affordable multi-family housing development projects to support as the local priority via LGAOF or other FHFC programs that require a local

contribution with sufficient time for action by the Board and submission of an application pursuant to the FHFC's applicable Request for Applications.

4. Any Fees established and/or collected by the HFA in association with subsection (3)(c)(vi) herein must be approved by the Leon County Administrator, or his or her duly authorized designee.

#### 4. Budget

- a. Budget adoption. The HFA will adopt an estimated budget for both County-adopted and HFA-adopted programs administered by the County by June 15 prior to the start of each fiscal year.
- b. Advancement of funds. The HFA will, based on its adopted budget and upon specific designation by the HFA for a given program, advance funds to the County annually or semi-annually for HFA programs administered by the County and/ or County-adopted programs funded by the HFA. The County will retain unencumbered funds at the end of a fiscal year; ~~however, the unencumbered amount will be subtracted from the semi-annual funding for the subsequent fiscal year. For fiscal year 2018, the HFA has specifically designated as of the Effective Date of this Agreement, a total amount of \$13,648.57, including the \$2,250 already committed by the County, for the Emergency Housing Repair Program.~~
- c. Previously Administered Programs. If the HFA decides not to have the County administer any previously administered programs, any funds previously paid by the HFA to the County, but not encumbered or spent for their designated purpose, will be returned to the HFA.

#### 5. Investment of Previous Down Payment Assistance Loans

- a. Coordination on the Investment of DPA Loans. The Parties agree to coordinate ~~and collaborate~~ on the investment of any funds that may be ~~recaptured repaid~~ from the Down Payment Assistance Loans issued during the period of October 1, 1998 through September 30, 2008 attached as in Exhibit B (the "Exhibit B DPA Loans") for ~~housing rehabilitation and other~~ strategies provided in the County's SHIP-LHAP and in accordance with SHIP criteria. ~~The County will provide the HFA, at minimum, quarterly updates regarding funds recaptured from Exhibit B DPA Loans and will submit a plan for expenditure for the same to the HFA, which expenditure will be subject to concurrence by the HFA.~~
- b. Deposit of Exhibit B DPA ~~Loans Recaptured Repaid Loan~~ Funds. The Parties agree that the HFA will transfer any funds ~~recaptured repaid~~ after the date hereof from the Exhibit B DPA Loans into the County's Local Housing Trust Fund. The HFA agrees to execute such documents as necessary to grant the County the authority to release, satisfy or take such other actions as the County shall deem necessary

with respect to the Exhibit B DPA Loans, and for the County to directly receive funds ~~recaptured~~repaid from the Exhibit B DPA Loans.

- c. Exhibit C DPA Loans. The Parties agree that any funds ~~recaptured~~repaid from the Down Payment Assistance Loans set forth in Exhibit C attached hereto (the "Exhibit C DPA Loans") shall be the property of the HFA, and the County agrees (i) to transfer any such funds to the HFA, and (ii) not to release or otherwise enter into any agreement regarding an Exhibit C DPA Loan without the HFA's approval.

## 6. Changes in Responsibilities

- a. Changes in the responsibilities of either Party will be mutually agreed upon by the Parties and will be incorporated by written amendments to this Agreement.

## 7. Affordable Housing Parcels

- a. In accordance with ~~County~~County's Real Estate Policy, ~~No. 16-5 (Real Estate Policy), as amended~~, the HFA and the County will cooperate in the sale or lease of any ~~County-HFA-Accepted Cooperative~~ Parcels as evidenced by jointly advertising and contributing to the ~~maintenance of the costs associated with preparing such~~ parcels for sale or lease. All activity and action for the disposition of affordable housing parcels will be in accordance with Article 11 of the Real Estate Policy and include the following:
  - i. The payment, if any, and the use of funds requested from the HFA.
  - ii. The process and timeline for selling the property.
  - iii. Any conditions regarding the sale, including the nature of subsequent use and ownership.

## 8. HFA Correspondence

- a. The address listed for the County's Housing Services Division will serve as the physical address for the HFA. Any correspondence addressed to the HFA and received by the County's Housing Services Division will be forwarded to the HFA in a timely manner.

## 9. Employee Designation

- a. All employees of the County involved in carrying out the obligations of the County under this Agreement remain employees of the County and are subject to the County's personnel rules and regulations therein.

## 10. Required Information

- a. Each Party agrees to provide the other Party with any and all information necessary to meet their respective obligations as identified herein.

#### 11. County Staff

- a. The use of County staff and other resources, will only be authorized for projects that are directly associated with the responsibilities of the County and HFA-adopted programs mutually agreed to be administered by the County.

#### 12. Term

- a. The term of this Agreement (the "Term") will commence on the Effective Date, and will be for a term of three (3) years. This Agreement may be renewed for additional three—year terms upon mutual agreement by the Parties of the satisfaction of performance of both Parties, unless the Agreement is terminated earlier pursuant to the terms of this Agreement.

#### 13. Termination

- a. Either the HFA or the County may terminate this Agreement without cause by giving at least thirty (30) calendar days written notice to the other party.

#### 14. Audits, Records and Records Retention

- a. The HFA agrees to establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all revenues and expenditures of funds. The HFA further agrees to retain all financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement for a period of five (5) years after termination, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records will be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement. The County or any of its duly authorized representatives will have access to and the right to examine, audit, excerpt and transcribe any directly pertinent books, documents, papers and records of the HFA, involving transactions relating to this Agreement. Upon completion or termination of this Agreement, and at the request of the County, the HFA will cooperate with the County to facilitate the duplication and transfer of any said records or documents during the required retention period as specified in paragraph b above.

#### 15. Choice of Law, Venue, and Severability

- a. This Agreement shall be construed and interpreted in accordance with Florida law. Venue for any actions brought in relation to this Agreement shall be placed in a

court of competent jurisdiction in Leon County, Florida. If any provision of this Agreement is subsequently held invalid, the remaining provisions shall continue in effect.

16. Several Liability

- a. Liability of the Parties will be several and not joint, and in no event will a party have any liability with respect to the acts or omissions of any other party to this Agreement.

17. Amendment

- a. This Agreement may be amended in writing from time to time by mutual consent of the Parties. All amendments to this Agreement will be in writing and fully executed by the Parties.

18. Notice

- a. If written notice is required in this Agreement, such notice shall be given by hand-delivery, recognized overnight delivery service, or by first class mail, registered and return receipt requested as follows:

To the County as follows:

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To the HFA as follows:

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**IN WITNESS WHEREOF**, the Parties hereto, through their duly authorized representative, have executed this Agreement as of the date last written below.

**Leon County, Florida**

**Housing Finance Authority of Leon County**

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\_\_\_\_\_  
Vincent S. Long, County Administrator

\_\_\_\_\_  
\_\_\_\_\_  
~~Tom Lewis~~ Marnie George, Chairman

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTESTED BY:

\_\_\_\_\_  
Gwendolyn Marshall, Clerk of Court & Comptroller, Leon County, Florida

\_\_\_\_\_  
Jeffrey Sharkey, Secretary  
Housing Finance Authority of Leon County

AS APPROVED TO ~~FORM~~ LEGAL SUFFICIENCY:

\_\_\_\_\_  
~~Herbert W.A. Thiele~~ Chasity H. O'Steen, County Attorney  
P.A.  
Leon County Attorney's Office

Nabors, Giblin & Nickerson,

By: \_\_\_\_\_

\_\_\_\_\_  
Mark T. Mustian, Attorney  
Housing Finance Authority of Leon County



## EXHIBIT B

## EXHIBIT C