



MEMO

TO	Mark Hendrickson
FROM	Bill Wilson, President
RE	Line of Credit for Land Acquisition
DATE	April 19, 2021

Mark,

As I am sure you are aware the price of land is increasing and the availability of land for construction of affordable housing is getting more difficult to find.

When a parcel that is suitable for affordable housing comes on the market we need to be able to move quickly to get that parcel under contract or we will lose it. With the limited resources of a small nonprofit we do not have the financial reserves to be able to move as quickly as possible on land acquisitions. A case in point would be the lots offered by Leon County last week with a bid closing today at 2 PM.

Please consider this a formal request for a Line of Credit from the Housing Finance Authority to be used **only** for land acquisition.

Here is how we propose that this LOC work.

When we find a property that we want to purchase we will offer a contract on the parcel. When we have a signed purchase agreement we will notify you and you will place the funds necessary to close the transaction with the title company. When the closing happens the title company will record a lien on the property in the name of the HFA. This provides the HFA with strong security for the debt.

We will build the new home and sell it to a family with a family income at or below 100% of the AMI.

At the closing of the sale of the home, proceeds from the sale will be remitted to the HFA in the amount of the initial purchase plus any interest on that amount. The HFA will file a satisfaction of lien to allow for the fee simple title to pass to the new homeowner.

We are requesting the line be approved for \$100,000 and we are asking for a 0% interest on the loan.

I am happy to answer any questions you have regarding this request.