

# THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors  
From: Mark Hendrickson, Administrator  
Subject: June 8, 2017 Board Meeting  
Date: May 31, 2017

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

1. Due to the timing of this meeting, financial information was not available from the County in time for posting to the website.
2. **Recommendation:** None.

## **II. 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 \$30,000 has been authorized for this program. Individual repairs were limited to \$1,650 per home.
2. The total amount of repairs funded through April 2017 is \$11,549.97.
3. The Board directed that this line item remain in the HFA's budget should the emergency repair program be needed.
4. The HFA is awaiting a response from the County related to whether they wish to continue this program in FY 17-18.
5. **Recommendation:** None.

## **III. Real Estate—Informational**

1. The Real Estate Division is working on disposing of properties as clear title is obtained. They are also obtaining appraised values.
2. At the request of the Real Estate Division, the HFA prioritized the properties (to avoid spending more money obtaining clear title than the property's value). Ms. McGhin has been asked to evaluate potential price reductions to induce sales.
3. Mitzi McGhin reports:
  - 114 Osceola Street: Sold 8-29-16 for \$34,100, with net revenue to the HFA of \$32,577.
  - 723 Frankie Lane Drive: Sold 12-1-16 for \$12,000, with net revenue to the HFA of \$11,300.
  - 278 Oakview Drive: Sold 1-5-17 for \$27,300, with net revenue to the HFA of \$26,525.

- 2109 Holton Street: Sold 2-15-17 for \$6,500, with net revenue to the HFA of \$4,800.
  - Calloway Street Lot: Sold 3-30-17 for \$5,900, with net revenue to the HFA of \$5,200.
  - For sale signs placed on properties in Crown Ridge, with appraisals due December 2. Several inquiries have been received, but no interest shown after being given sales price.
4. Therefore, the total revenues to the HFA are \$80,402.
  5. Mr. Rigo researched whether the HFA could issue an RFP to procure a residential real estate broker for the properties. His research concluded that the County, as owner of the land, would need to issue any RFP related to the properties.
  6. Mr. Rigo and Ms. McGhin reported that the County was planning to place an advertisement for the properties. No updates have been received on the progress of the advertisement or sales.
  7. **Recommendation:** None.

#### **IV. Future Role of HFA—Action**

1. On February 7, the BOCC passed amendments to the HFA's Ordinance, and an accompanying Resolution, that grant significant independence to the HFA.
2. The Finance Committee chaired by Mr. Gay met to begin planning for the transition. The Action Plan for transition was approved by the HFA in April.
3. A revised contract with The Hendrickson Company to act as Administrator/Financial Advisor was approved in May.
4. The Committee asked Ms. Whitehurst to research if an RFP or RFQ was required for the HFA to select a bank for a checking account. Ms. Whitehurst reported that an RFP or RFQ was not required, but would be a best practice. The Board directed staff to prepare an RFQ (attached).
5. The Committee asked Mr. Hendrickson and Ms. Leigh to research options for records retention.
6. The Committee asked Mr. Hendrickson and Ms. Leigh to research the existing Board insurance policy to determine if any changes were required by the transition.
7. A general summary of the Action Plan:
  - HFA to adopt its own budget in September
  - HFA to establish checking account and investment account with SBA Prime Fund, for transfer of funds and responsibilities on October 1
  - Accounting system using QuickBooks online to be established
  - Proper financial controls to be established, using combination of Mr. Gay, the FA, and the Board
  - General administrative duties and developer/citizen inquiries to be handled by FA
  - General Counsel and FA to develop proposed procurement and travel policies

- Auditor to be hired in time to audit FY 17-18 HFA financials. RFQ to be designed after consultation with County on proper format for coordination with County audit.
  - “Evergreen” calendar to be established for action to make sure all functions performed when required
  - Need to establish HFA mailing address and system for retention of public records (and establish custodian of those records)
  - Finance Committee to meet again to evaluate all implementation recommendations
8. Some initial information on implementation:
- County Attorney advises that they cannot serve as mailing address/public records custodian for the HFA because they are not HFA counsel
  - Request was made to Lamarr Kemp as to willingness of County to serve as mailing address for the HFA and to be custodian of public records—and any proposed cost. Other options are the FA and the General Counsel. No response has been received.
  - Inquiry made to Lamarr Kemp on whether County wishes to continue Emergency Repair Program. If yes, a contract will need to be drafted so that the HFA has audit protection for any payments made for the program (client eligibility, income or other certifications, selection of contractors, inspection of work, and payment process). No response has been received.
9. **Recommendation:** Consider proposed RFQ for checking account services and proposed bylaw amendments.

**V. Legal Update—Informational**

1. The Board asked Ms. Whitehurst and Mr. Hendrickson to review the bylaws for any changes required by the transition, and to prepare a bylaw amendment for the June HFA meeting creating a Board Officer position of Treasurer. Counsel has asked to defer this item until the August meeting, in order to produce the best product possible for the Board’s review..
2. **Recommendation:** None.

**VI. Multi-Family Process and Fees—Action**

1. The Board requested that the Administrator bring the Multi-Family bond fees, application, and procedures to the June HFA meeting for review (attached).
2. An analysis of the HFA’s fee structure compared to FHFC and other local HFA’s is attached. It shows that the HFA’s fees are competitive, and certainly lower than FHFC’s.
3. The documents require updating and revisions (last revised 2014). Proposed revisions to the application and MF Handbook will be brought to the HFA in August.
4. **Recommendation:** None.

**VII. To-Do List—Informational**

<b>To-Do Item</b>	<b>HFA</b>	<b>FA</b>	<b>CAO</b>	<b>LK</b>	<b>LS</b>	<b>KR</b>	<b>Status</b>	<b>Completed</b>
<b>Prior to October 2015 Meeting</b>								
Set date for Stakeholders Meeting	X						On hold	
<b>October 2015</b>								
Research if old payoffs of DPA loans came to HFA.		X			X		In process.	
<b>December 2016</b>								
HFA to seek additional donations of property from lending institutions. Mr. Gay volunteered to draft letter and provide lender contacts.	X						In progress	
<b>March 2017</b>								
The Board requested that an analysis of the remaining properties and the potential for price reductions be put on an HFA agenda							Request for update sent to Mitzi McGhin	
<b>April 2017</b>								
The Board directed Counsel and FA to bring back a proposed policy on participation by Board members by telephone.		X				X	Will be on August agenda as part of bylaws amendments	
<b>May 2017</b>								
Chairman Rogers volunteered to contact the Tallahassee Board of Realtors to inquire if a realtor could provide listing services and place the properties on the MLS system on a pro bono basis.							Outreach made	Done
Dr. Sharkey asked that staff bring the Multi-Family bond fees, application and procedures to the June HFA meeting for review.							In Board packet	Will require additional work; final action for August
The Board directed the Administrator to bring a proposed RFQ for checking account services to the June HFA meeting for Board review and approval.							In Board packet	Done
The Board directed Chairman Rogers to send a letter to the BOCC recommending approval of an Interlocal Agreement with Escambia County related to operation of the single family program by the Escambia County HFA within Leon County.	X						Conferring with Escambia HFA & bond counsel on content of letter.	Should be complete before Board meeting.