

# THE HENDRICKSON COMPANY

---

1404 Alban Avenue ♦ Tallahassee, Florida 32301  
Telephone: 850-671-5601  
Fax: 850-671-5603

July 27, 2016

Mr. Steve Auger  
Executive Director  
Florida Housing Finance Corporation  
227 North Bronough, Suite 5000  
Tallahassee, Florida 32301

Re: Comments on Leon County Limited Development Areas

Dear Mr. Auger:

I am writing in my capacity as Financial Advisor to the Leon County HFA. On behalf of the HFA, I am requesting that the LDA proposed by FHFC be altered to remove the central core of the City of Tallahassee from an LDA designation.

Apparently, the entire County is proposed as an LDA because the countywide occupancy is in the low 90%'s. A few lower performing properties are dragging the county average occupancy rate down. In particular, the large (312) unit Lakes at San Marcos is a particular drag.

The overall numbers for the Lakes at San Marcos are misleading. I have attached occupancy reports from AmeriNational for the past two years. The overall numbers are not good—but that is entirely due to the market rate units in the development. For every monthly reporting period, the occupancy level of the 60% AMI units has exceeded 100%.

In any case, the LDA should be based upon market areas, not the countywide numbers.

Specifically, I am requesting that two areas be removed:

1. Cascades Park-Downtown-Gaines Street Corridor
2. Frenchtown-Griffin Heights

There are no FHFC properties in the Cascades-Downtown-Gaines Street area. There are two highly performing properties in the Frenchtown-Griffin Heights area:

- Goodbread Hills, Frenchtown, with occupancy of 95.70% in the latest study period, consistent with the occupancy over the two previous years
- Griffin Heights, in Griffin Heights, with occupancy of 95.83% in the latest study period, consistent with the occupancy over the two previous years

Leon County and the City of Tallahassee have worked hard to create a work/live environment in

the Cascades Park—Downtown—Gaines Street area. Building non-student housing near large employment centers (FSU, FAMU, and State Government) is good public policy. This area is not part of another market area where there are lower performing properties. Also, with limited development sites, affordable housing either is built at the beginning of the redevelopment of an area like this, or it never happens. Success of properties in city centers is widespread and gaining in market strength as more workers choose to live within walking or biking distance of work rather than pay the excessive costs of commuting.

Frenchtown and Griffin Heights are areas in need of revitalization. Again, these areas are a distinct market from the areas where FHFC has less stellar performing properties. Instead, the two developments in this area have very high occupancy. The Casanas development that is coming on-line is only 88 units, and will have little impact on the area. Even so, the Proximity scoring will deal with any issues associated with that new development.

Leon County market areas are very close together with just as few blocks separating wildly different market areas/neighborhoods. As the crow flies, it isn't far from Frenchtown to Lafayette Park—but as markets go, they are 1,000 miles apart. Tallahassee must be analyzed with knowledge of the different market areas, regardless of physical distances.

The exact boundaries of the area that we are requesting to be carved out of the proposed LDA are:

*An area beginning at the corner of Oakland and Monroe Streets, going east on Oakland to Drew street, north on Drew street to Myers Park Drive, west on Myers Park to Suwannee Street, north on Suwannee to East Lafayette, west on Lafayette to S. Franklin Blvd, north on Franklin to E. Tennessee, west on Tennessee to North Meridian, north on Meridian to McDaniel Street, west on McDaniel to N Gadsden, north on Gadsden to 7<sup>th</sup> Avenue, west on 7<sup>th</sup> to Monroe, north on Monroe to Tharpe Street, west on Tharpe to High Road, south on High to Tennessee, west on Tennessee to Macomb (Railroad) south on Macomb/Railroad to FAMU Way, east on FAMU Way to South Monroe (which is also the corner of Oakland and Monroe Streets).*

On behalf of the Leon County HFA, I am requesting that consideration be given to this request prior to the upcoming SAIL and/or Housing Credit RFA's..

Sincerely,



Mark Hendrickson  
Financial Advisor  
Leon County HFA

cc: Kevin Tatreau  
Laura Cox  
Nancy Muller

Month	Total Units	Min. Set Aside	Total Occup.	Percent Occupied	Total Certified		Total Lower Income Percentage			Monthly PPO Reporting Requirements (Y)	Number of Units						Foot Notes	Comment	Chkd Unit by Unit (Y)	
					Actual # of Units	Minimum Percent Required	Actual # of Units	Actual	Minimum Required		Exempt	Model / Office	Market Occ	Market Vacant	Never Rented	Certified Vacant				Other Vacant
January	312	234	278	89%	241	75%	241	77.24%	75%	Y			61	10		24			241/312, Occupancy below 90%	Y
February	312	234	280	90%	241	75%	241	77.24%	75%	Y			64	7		25			241/312, Occupancy below 90%	Y
March	312	234	283	91%	242	75%	242	77.56%	75%	Y			62	8		21			242/312	Y
April	312	234	279	89%	242	75%	242	77.56%	75%	Y			59	11		21			242/312	Y
May	312	234	280	90%	244	75%	244	78.21%	75%	Y			59	9		23			244/312	Y
June	312	234	290	93%	247	75%	247	79.17%	75%	Y			57	8		14			247/312	Y
July	312	234		0%		75%		0.00%	75%											
August	312	234		0%		75%		0.00%	75%											
September	312	234		0%		75%		0.00%	75%											
October	312	234		0%		75%		0.00%	75%											
November	312	234		0%		75%		0.00%	75%											
December	312	234		0%		75%		0.00%	75%											
<b>Bond Set aside 75% at 60%</b>																				
<b>OV/NC - household which was not recertified at anniversary and stayed in the unit past the due date</b>																				

FOOTNOTES Indicate ALL that apply      Occupancy under 90%

- General
- 0 Not yet reporting
  - 1 Initial rental of all units has not occurred
- NOTE "Total Lower Income Percentage" obtained by dividing "Total Lower Income - Actual Number of Units" by the number of units which have been rented to ANY occupant - certified or not.

- Non-Compliance with Set-aside Requirements
- 2 Lower Income (LI)
  - 3 Very-Low Income (VLI)
  - 4 Public Purpose Requirements (PPO) - Multifamily Bond
  - 5 Reporting Requirements
  - 6 Rent Restrictions

Month	Total Units	Min. Set Aside	Total Occup.	Percent Occupied	Total Certified		Total Lower Income Percentage			Monthly PPO Reporting Requirements (Y)	Number of Units							Foot Notes	Comment	Chkd Unit by Unit (Y)
					Actual # of Units	Minimum Percent Required	Actual # of Units	Percentage			Exempt	Model / Office	Market Occ	Market Vacant	Never Rented	Certified Vacant	Other Vacant			
								Actual	Minimum Required											
January	312	234	250	80%	242	75%	242	77.56%	75%	Y			62	8		54		5	242/312, Occupancy below 90%	Y
February	312	234	249	80%	235	75%	235	75.32%	75%	Y			62	15		48			235/312, Occupancy below 90%	Y
March	312	234	258	83%	234	75%	234	75.00%	75%	Y			64	14		40			235/312, Occupancy below 90%	Y
April	312	234	260	83%	234	75%	234	75.00%	75%	Y			66	12		40			234/312, Occupancy below 90%	Y
May	312	234	261	84%	234	75%	234	75.00%	75%	Y			65	13		38			234/312, Occupancy below 90%	Y
June	312	234	245	79%	234	75%	234	75.00%	75%	Y			62	16		51			234/312, Occupancy below 90%	Y
July	312	234	263	84%	234	75%	234	75.00%	75%	Y			65	13		36			234/312, Occupancy below 90%	Y
August	312	234	264	85%	234	75%	234	75.00%	75%	Y			62	16		32			234/312, Occupancy below 90%	Y
September	312	234	265	85%	236	75%	236	75.64%	75%	Y			61	14		33			236/312, Occupancy below 90%	Y
October	312	234	269	86%	239	75%	239	76.60%	75%	Y			61	12		31			239/312, Occupancy below 90%	Y
November	312	234	267	86%	239	75%	239	76.60%	75%	Y			58	14		31			239/312, Occupancy below 90%	Y
December	312	234	271	87%	240	75%	240	76.92%	75%	Y			58	14		27			240/312, Occupancy below 90%	Y
<b>Bond Set aside</b>		<b>75% at 60%</b>																		
<b>OV/NC - household which was not recertified at anniversary and stayed in the unit past the due date</b>																				

FOOTNOTES Indicate ALL that apply

Occupancy under 90%

General

- 0 Not yet reporting
  - 1 Initial rental of all units has not occurred
- NOTE "Total Lower Income Percentage" obtained by dividing "Total Lower Income - Actual Number of Units" by the number of units which have been rented to ANY occupant - certified or not.

Non-Compliance with Set-aside Requirements

- 2 Lower Income (LI)
- 3 Very-Low Income (VLI)
- 4 Public Purpose Requirements (PPO) - Multifamily Bond
- 5 Reporting Requirements
- 6 Rent Restrictions