

**Housing Finance Authority of  
St. Johns County, Florida  
Regular Meeting**

**January 25, 2018  
Minutes**

The Housing Finance Authority of St. Johns County met at 3:00 pm in the Egret Conference Room at the St. Johns County Health and Human Services Building – Housing Department, 200 San Sebastian View, St. Augustine, Florida 32084.

The meeting was called to order at 3:01 pm by Linda DeGrande, Chair.

**Members Present:**

Andy Evener  
Craig Higgins  
Jay Kalter  
Linda DeGrande  
Robert Marshall  
Malinda Peeples

**Members Absent:**

Victor Raymos

**BCC Liaison:** Commissioner Jeb Smith

**Guests Present:**

Seth O'Connell - CPA, Accountant to the HFA, W. H. O'Connell & Assoc.  
Jean Mangu - Edwards Cohen, Counsel to the HFA  
Malinda Everson – Habitat for Humanity  
Wesley Smith – Gemini Development, LLC  
Sally Walters – Gemini Development, LLC  
Shawna Novak, HHS, Director  
Joseph Cone – HHS, Housing & Community Services Manager  
Julie Voorhees – HHS Support Staff, Housing  
Michelle Lawlor – HHS Support Staff, Housing  
Mary Garcia – HHS Support Staff

Notices regarding the meeting were sent to all members. No press was in attendance.

**Additions/Deletions to Agenda and Approval of Agenda:**

**Motion** made by Andrew Evener to approve the agenda as presented; motion seconded by Malinda Peeples. **Motion passed unanimously.**

**Public Comments:**

None.

### **Approval of Minutes:**

- **Motion** made by Andrew Evener to approve the minutes from the December 14, 2017 meeting; motion seconded by Robert Marshall. **Motion passed unanimously.**

### **Financial Report:**

- December, 2017 Financials: Seth O'Connell apologized and explained the December financials were not complete as he was out of the office for several days due to illness. Mr. O'Connell did say that most of the bills are paid down and there is money in the bank to close two homes. Mr. O'Connell also said the financials will be available in a few days.

### **New Business:**

- **Habitat SHIP Lien:** Joseph Cone introduced Malinda Everson, Habitat for Humanity, and explained she was there to ask the HFA to render a decision in the matter of a \$25,250 SHIP lien on one of Habitat's properties. Mr. Cone explained the Habitat partner, who was granted SHIP funds for down payment assistance on this home, passed away in 2013 and because Habitat acquired title but opted to rent the home, rather than sell it at that time, the SHIP lien remained in place. Ms. Mangu pointed out this lien should have been paid back by Habitat in 2013 and Ms. Everson agreed. Malinda Everson explained Habitat would now like to sell because one of its current partners has expressed interest in buying this home, rather than waiting for one to be built, and the Habitat Board would like the HFA to consider forgiving all or part of the lien. Ms. Everson explained this partner is elderly and currently living out of her car, so buying this home would get her a safe place to live much more quickly than partnering to build a new home. Mr. Cone stated the original lien mandates any type of modification must be presented to the HFA for its consideration and he went over the options available in making this decision. The first option, Mr. Cone explained, would be to require the full amount to be paid back; the second option would be to request partial payment and Mr. Cone explained the typical amount would be from \$1,500 to \$5,000 and would not require an attorney, which can be a big expense. The next option, Mr. Cone stated, would be to transfer the lien to the partner that wishes to buy the home. Mr. Cone said he recognized a philosophical issue with this option because, as he explained, it seems unfair to put this lien on a buyer who has not benefited in any way from it. Further, Mr. Cone explained, selecting this option would require some additional work by County staff. Mr. Cone stated the candidate would have to be income qualified to make sure she is eligible and the candidate would have to go through two programs; one with Habitat and one with the County, which would need to be specially developed for this instance. Finally, the last option and the one Mr. Cone said he favored, would be full forgiveness of the lien, although Mr. Cone did qualify that he would like to speak with the County attorney's office to try to find a non-monetary mechanism to ensure the home remains affordable for a definitive number of years.

Ms. Everson concluded by explaining Habitat will have a soft 2<sup>nd</sup> mortgage on this home, covering the difference between what the partner can afford and what the home will appraise at. Ms. Everson also stated Habitat is getting ready to break ground on Canopy Oaks, which will be comprised of 18 affordable housing units in West Augustine. Ms. Everson said Habitat received a County grant of \$458,000 for infrastructure on this development but it will have to cover the remaining cost, which will be approximately \$450,000. Ms. Everson said the expense of this project makes this a difficult time for

Habitat to shoulder any other financial burdens. Craig Higgins asked Ms. Everson what would happen with the home if this client were to pass away in 4 or 5 years. Ms. Everson said that would depend on whether or not the client had a chance to build up any equity in the home but, were it returned to Habitat, she is in favor of selling properties, rather than renting, and the Habitat Board shares that position. Robert Marshall expressed concern that with elimination of the lien, there would be nothing to anchor this home to affordable housing and this made him reluctant to extinguish the lien. Andrew Evener said he felt whatever money went back to Habitat was essentially going back into affordable housing since that is its mission. A discussion ensued. Robert Marshall opined he did not like the idea of diminishing by \$25,250 what would go back into affordable housing by extinguishing this lien. Mr. Marshall said he felt the lien would not hinder Habitat's new partner in any way but others felt it unreasonable to ask the partner to take on a lien she does not benefit from in any way. A discussion ensued and, ultimately, **Motion** was made by Andrew Evener to extinguish the lien entirely; motion seconded by Jay Kalter; **Motion passed four in favor, two against.**

### **Old Business:**

- **CWHIP Update:** Julie Voorhees reported one closing is scheduled for tomorrow and two closings scheduled for February 23. Ms. Voorhees stated that would leave only two houses left in the program to sell and all houses are completely built at this point. Ms. Voorhees went on to say the Certificate of Occupancy was received for the last house today. Ms. Mangu added there is one Habitat home that is still under construction and the Certificate of Occupancy is expected by March 1. Ms. Mangu went on to say Florida Housing Finance Corporation has the request for an extension to close out the CWHIP program on its consent agenda for its board meeting tomorrow. Ms. Mangu said it is a six month extension and will be granted exclusively to allow for final draws and to close out the program – no new construction will be allowed during this extension. Ms. Mangu went on to say there have been problems with AmeriNat releasing Gemini's 3<sup>rd</sup> letter of credit, which should have been done when the Certificate of Occupancy was issued. Ms. Mangu said AmeriNat is now coming up with new and different rules and it has stated it is not going to follow its previous process. Wesley Smith and Sally Walters expressed their frustration with this process and Jean Mangu said she is staying in close contact with AmeriNat and encouraging it to continue to follow the guidelines it set in the past. A discussion ensued and while Ms. Mangu is quite surprised at the position AmeriNat is taking, it is her hope that once it has the release of lien and a final draw (other than retainage), that she can convince it there is no reason not to release the letters of credit.
- **Own a Home Opportunity Program Update:** Tim Wranovix sent a report which showed a total earned revenue of \$42,611.07 for the HFA to date. Ms. DeGrande stated she will be attending the quarterly meeting on January 29, and she will report on it at the February HFA meeting.
- **Housing & Community Development Manager's Statement:** Mr. Cone expressed his appreciation for the time and commitment the HFA puts toward affordable housing in St. Johns County. Mr. Cone stated he would be bringing some news to them at the February or March HFA meeting. Mr. Cone said there is a lot happening in housing at this time and he wants to share what he knows with the group. Mr. Cone also took a moment to thank his staff for all of their hard work on the CWHIP program and their handling of some rather difficult client problems. Mr. Cone also thanked Wesley Smith for making himself available to meet clients and staff at CWHIP properties to try to

resolve ongoing issues. Wesley Smith took this opportunity to say how grateful he is to Julie and Michelle for all of the assistance they have given him on the CWHIP program and how much help they have been to him and to Sally throughout the program.

- **Higgins & DeGrande BOCC Approval:** Jean Mangu advised the Board of County Commissioners accepted the HFA's recommendation to reappoint Mr. Higgins and Ms. DeGrande as members of the HFA.

Meeting was adjourned by Ms. DeGrande at 4:08 p.m.

**Next Meeting:** The next regular monthly meeting of the HFA will be held on February 22, 2018 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

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Secretary