

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

**April 26, 2018
Minutes**

The Housing Finance Authority of St. Johns County met at 3:00 pm in the Kingfisher 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 3:04 pm by Jay Kalter, Vice-Chair.

Members Present:

Craig Higgins
Jay Kalter
Victor Raymos
Robert Marshall
Malinda Peeples

Members Absent:

Linda DeGrande

BCC Liaison: Commissioner Jeb Smith

Guests Present:

Bill Lazar – St. Johns Housing Partnership
Jerel Williams – St. Johns Housing Partnership
Seth O'Connell - CPA, Accountant to the HFA, W. H. O'Connell & Assoc.
Jean Mangu - Edwards Cohen, Counsel to the HFA
Mike Rogers – Leon County HFA
Joseph Cone – HHS, Housing & Community Services Manager
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 Victor Raymos to approve the agenda as presented; motion seconded by Craig Higgins. **Motion passed unanimously.**

Public Comments: None

Approval of Minutes:

Motion made by Craig Higgins to approve the minutes of the February 22 and March 22, 2018 meetings; motion seconded by Victor Raymos. **Motion passed unanimously.**

Financial Report:

- **Financials:** Mr. O'Connell said he had not done financials for March yet but he does have staff working on billing for February, March and April. Mr. O'Connell stated he is waiting on approximately \$10,500 from AmeriNat, which he has contacted them about since the payment is overdue. Mr. O'Connell said the 4 bedroom house that will close tomorrow will leave finances such that the closing on the 3 bedroom house will have to wait until money is received from AmeriNat. Michelle Lawlor said the date for that closing is not yet set but the bank has proposed May 18th. Jean Mangu said she would contact AmeriNat and Florida Housing regarding the delay in payment.

New Business:

- **Subcommittee Meeting Report:** Jay Kalter reported he and Robert Marshall and Malinda Peeples from the HFA, and Bill Lazar from St. Johns Housing Partnership (SJHP), met on March 29 regarding the County surplus properties. Robert Marshall said they met to discuss what the HFA's role in deciding what to do with this land would be. Mr. Marshall said he hoped the County would maintain ownership of the properties until the HFA can formulate a plan to make them productive. Further, Mr. Marshall said he hopes the HFA will retain the revenue from the property sales so they can continue to do good work in the community. Mr. Marshall said while there are some interesting properties in Elkton, much of what they reviewed in Armstrong is not economically feasible because of the lack of roads, water and electric. Mr. Marshall said there were some properties in Elkton and Vermont Heights that were clustered and might work well for a multi-family project if the property or properties in between them could be purchased. Mr. Marshall also felt the inventory was limited and inquired about other County properties.

Jean Mangu and Joe Cone suggested the sub committee make the CWHIP lots deemed buildable by the County a priority. Mr. Kalter asked about the possibility of applying for CDBG funds in order to purchase fill for the low lying CWHIP lots and Bill Lazar advised DRI funds might be a better fit. Joe Cone agreed. Commissioner Smith stated the County currently has some dirt that might be utilized for this purpose. Commissioner Smith said the County Engineer was doing an inventory for an RFP on the dirt but he suggested it might be a better option to just get rid of it. Commissioner Smith pointed out even if this dirt is viable, it would still leave trucking costs to be considered.

Jay Kalter said the subcommittee also discussed the possibility of the HFA hiring a consultant such as Susan Leigh, who presented to the HFA in March. Mr. Kalter said he believes the HFA needs assistance in getting organized and in finding out what eligible programs are available. Mr. Marshall agreed and said he was particularly impressed when Mike Rogers from the Leon County HFA said they had tripled their revenue in approximately a three year period with help from Susan Leigh. Mr. Marshall said he would like to get an idea what a consultant might charge and Mr. Kalter suggested putting together an RFI to see what kind of response is received and he wondered what the next steps in that process would be. Jean Mangu suggested the July FLALHFA conference might be a very good place to gather information and speak to people on other HFA boards about their experience, if any, with consulting firms. Mr. Kalter asked if the other subcommittee members felt another meeting would be helpful and both Mr. Marshall and Ms. Peeples agreed it would be. The meeting will take place on Thursday, May 17th, at 3pm, in the Pelican conference room, in the Health and Human Services building and Joe Cone said he would provide whatever documents the sub-committee

deemed necessary. Ms. Garcia will email Linda DeGrande to see if she can attend this meeting.

A discussion ensued with regard to zoning, since many of the properties the subcommittee must consider will only be feasible if they are built on as multifamily. Mr. Lazar said he believes many small builders are put off by the zoning restrictions in St. Johns County, (i.e. the difficulty in being granted permission to build multi-family units in single family neighborhoods), and he said he believes they would be much more apt to take on smaller, affordable projects if there were a template in place.

- **Bill Lazar – Housing Report:** Mr. Lazar explained the County asked for proposals from non-profits approximately 2 ½ years ago detailing how they would create affordable home ownership opportunities or rentals if awarded a portion of the \$900,000 local housing trust fund referred to as DRI. Mr. Lazar said St. Johns Housing Partnership proposed the purchase of two properties on Masters Drive. Mr. Lazar provided a hand-out listing purchase prices, construction costs and projected financial results and explained SJHP was awarded \$119,000 from the County. Mr. Lazar said when both properties have been purchased, and construction complete, they will have at least 4 rental units. Mr. Lazar went on to say he believes the HFA could be very helpful in vetting affordable housing opportunities like these and he hopes they will get more involved. Joe Cone said he was very impressed with the proforma SJHP uses and Mr. Lazar said it was provided by Florida Housing. Mr. Cone said it really ensures a project is economically viable. Mr. Kalter said while proformas are really helpful, the revenue and operating costs can be manipulated so care should be taken and figures should be scrutinized.

Bill Lazar brought SJHP staff member Jerel Williams to report to the HFA on the status of the Neighborhood Stabilization Program, through which SJHP manages 17 rental properties and will continue to do so for 20 years, at which time they will own them. Mr. Williams explained some of these properties are rented for 50% of area median income and some for 80%. Mr. Williams said as long as occupants continue to be good tenants and pay their rent on time, they can remain in the homes indefinitely even if their income increases. Mr. Williams provided handouts which showed income limits by household, the number of occupants and the current household income. Mr. Williams was questioned about three households that showed much higher income than the limit and he explained since people can remain tenants indefinitely, this can happen when they advance in their careers and their salaries go up. In one particular situation, Mr. Williams explained, the original tenant married and when their incomes were combined, it put the household at more than double the income limit. Mr. Marshall asked what could be done about this and Mr. Williams said the rent is increased each year, usually by \$70 to \$100 per month, but as long as the tenants continue to pay their rent on time, there really is no recourse. Mr. Lazar added these would be the type of people that might be able to move up and into owning a home if it weren't for the lack of affordable homes in St. Johns County. Mr. Lazar said the last thing they want as landlord is an expensive eviction and they do their best to keep 100% occupancy. Mr. Lazar said SJHP makes sure these homes remain in good repair and they go out and change HVAC filters and keep an eye on the properties. Mr. Williams said he knows all of his tenants and he encourages tenants in the service industry to get into a full-time career they can grow with. Mr. Lazar offered to arrange a tour of these homes in the future, if any of the HFA members were interested. Jean Mangu asked about Maxwell Manor and Mr. Lazar said SJHP still owns the 12 unit building, which is made up of seven 2-bedroom units and five 1-bedroom units. Mr. Lazar also said SJHP is in negotiation to

buy the now defunct Equinox Motel on San Marco Avenue, with the intent to turn it into 16 efficiency apartments. Mr. Lazar said SJHP will do that with \$400,000 in SHIP funds and a loan from CDFI of approximately \$800,000.

Old Business:

- **CWHIP Update:** Michelle Lawlor reported the closing on the last 4 bedroom house is scheduled for the following day and the last 3 bedroom home will close when funds are available, as explained by Seth O'Connell earlier. Mr. Lawlor said the Habitat home will close as soon as the client has completed her sweat equity hours.
- **Own a Home Opportunity Program Update:** Jean Mangu reported Tim Wranovix emailed her the program update and there was just one home closing for a total of about \$200 during the month of April. Ms. Mangu said she questioned Mr. Wranovix about this since things seem to be slowing down and he reported this is a nationwide trend and is due to lack of inventory and price appreciation. Ms. Mangu said Mr. Wranovix has promised to email her some additional information and statistics, which she will share at the next meeting.

Discussion ensued regarding the lack of housing inventory when Mr. Lazar speculated this is the reason more people are currently renting. Mr. Lazar said he does not believe there is less interest in home ownership currently but rather the lack of homes available at the right price, keep people from buying. Commissioner Smith said he does see a certain population that does not want the work and worry of home ownership and Joe Cone added the massive student debt incurred by those starting their careers could play a part.

- **Member Term Expiration and Vacancy:** Ms. Mangu said Malinda Peebles term is expiring in June and a vacancy was created when Andrew Evener resigned. Mary Garcia reported the application for HFA membership has been posted on the County website. Ms. Peebles gave her application and letter of consideration to Mary Garcia and she will forward them to the BCC office. Ms. Garcia will bring any applications that are received by the BCC to the next HFA meeting for consideration and vote.
- **Housing & Community Development Manager's Statement:** Mr. Cone had nothing additional to report or address.

Meeting was adjourned by Mr. Kalter at 4:19 p.m.

Next Meeting: The next regular monthly meeting of the HFA will be held on May 24, 2018 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

Secretary